#### 2003-05 ALLOTMENT INSTRUCTIONS



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The instructions cover requirements for allotments and related processes

These instructions outline agency requirements for preparing and submitting:

- Initial allotments—operating and capital
- Allotment amendments—operating and capital
- Major capital project and other capital allotment requirements
- Performance measures
- Savings incentive program information
- Activity inventory update



Use this symbol to help you find allotment submittal requirements quickly.

# Timeline of major allotment-related events

For general planning purposes, here is a timeline of the major due dates for allotments and other processes covered by these instructions.

Key Dates - Operating		Reference
Budget format restructure requests due	May 12, 2003	March 28, 2003 Letter on OFM Web site Proposed Budget Format Changes memo
Revised ten-year history database to match requested program structure changes	May 23, 2003	March 28, 2003 Letter on OFM Web site Proposed Budget Format Changes memo
Initial Operating Allotments	July 28, Aug. 4, or Aug. 11, 2003. See Appendix A-1	Chapter 2
Statutory deadline for initial allotment submittal to OFM	Aug. 15, 2003	
Performance Measure Estimates for 2003-05 entered into PMTES	Aug. 22, 2003	Chapter 4
Activity Inventory updates	Oct. 15, 2003	Section 1.3
Last day for OFM to approve initial operating allotment packages	Sept. 28, 2003	
Performance Measure first quarter actuals entered into PMTES	Oct. 31, 2003	Chapter 4

Key Dates - Operating		Reference
Allotment amendments for any 2004 supplemental budget changes	April/May 2004	Chapter 3
Other allotment amendments	25 <sup>th</sup> of the month	Chapter 3
Allotment amendments for any 2005 supplemental budget changes	May 2005	Chapter 3

Key Dates - Capital		Reference
Cash flow estimate for bond-funded projects to State Treasurer	July 20, 2003	Section 5.4
Initial capital allotments, including  Initial expenditure, cash and revenue allotments  Updated project lists (C2) and cost estimates (C-100)  Reappropriations  Updated FTE information	July 28, Aug. 4, or Aug. 11, 2003 See Appendix A-1	Chapter 5
Annual maintenance summary report	Sept. 1 each year	Section 5.6
Capital project monitoring report updates, including FTE updates	June 30 each year	Section 5.2
Facility inventory update	June 30 each year	Section 5.6
Allotment of design and construction funds for major projects	Ongoing	Chapter 6
Major Project Reports to OFM and the Legislative Fiscal Committees	Each Dec. 31 and July 1.	Chapter 6

The terms "Account" and "Fund" are used consistently

In these instructions, we've tried to use the terms "account" and "fund" more consistently. The term "account" is the more accurate Generally Accepted Accounting Principle (GAAP) term for an accounting entity also commonly called a "fund" and we have used this term throughout these instructions.

Look for the sign for new or changed items.

We've used this symbol to flag any requirements or tools that are new or changed from last biennium's instructions. New in the instructions are a number of changes made possible by the passage of SHB 2196 which made changes in the Budget, Accounting and Reporting Act related to allotments.



 Agencies are no longer restricted to one second-year allotment adjustment and may now submit prospective expenditure allotment amendments on a quarterly basis along with an explanation of the reasons for significant changes. Agencies will submit these explanations using a new form. OFM may also request that agencies submit an allotment amendment. See Section 3.2.



• OFM is no longer required to submit a quarterly report of major allotment/expenditure variances to the Legislature. OFM will no longer prepare this particular report, but will continue to monitor actual expenditures against allotments and post monthly fiscal status reports on the OFM Web site.



 OFM asks agencies to identify the statewide result area each performance measure contributes to most. See Chapter 4 for details.



• Certain subobject and revenue source code changes have been made for the 2003-05 Biennium. For example, equipment previously coded to subobject EQ should now be coded to subobject JA. A number of revenue source codes have also been changed. See Appendix A-2. At the time of publication, subobjects for compensation had not been finalized. Please refer to the updated Statewide Accounting and Administrative Manual later this spring to confirm any subobject changes.



Agencies will now use the Capital Project Summary (C2
 Form) in the Capital Budget System to meet requirements
 for minor works project lists, project updates and project
 monitoring reports. See Chapter 5 for details.



• Savings Incentive allotment amendments will now be submitted in an "A" packet. Separate coding series have been set aside in "A," "L," and "S" packets to identify certain types of changes. See Section 1.2.

Use this year's experience to help us build a better new system

The Office of Financial Management is now in the process of building a new system to support the appropriation schedule and allotment development and management. We encourage you to make note of the things you would love to improve or change as you go about developing the allotments this year. Please don't hesitate to send your ideas and suggestions to Sara Lieberman or Lynne McGuire.



#### **Chapter 1**

### **Allotment Basics**

### 1.1 What are allotments?

# Allotments are detailed plans of the enacted budget

Allotments are detailed plans of the scheduled revenues and expenditures authorized in the budget and the related cash receipts and disbursements. An agency's actual spending will be monitored against the allotments by the agency, OFM, the Legislature, and the public. Allotments must:

- Conform to the terms, limits, or conditions of legislative appropriations.
- Serve as the agency's best estimate of the money it will spend and the revenue it will collect each month and year of the biennium.
- Provide the agency's best estimate of expected cash flows by month.

## Allotments support good financial management

Allotments allow executive and legislative branch monitoring of actual spending compared to spending plan. This monitoring helps prevent over-expenditure and helps improve the assumptions upon which budgets, spending plans, and other financial decisions are based. Allotments enable the state to take advantage of the expected pattern of state spending for the timing of bond sales and state-level cash management.

Allotments and allotment controls help ensure that:

- Appropriations are used for purposes that meet legislative intent.
- Sufficient funds exist to allow the state to incur financial obligations.
- Potential fund balances are identified and understood before they are placed in reserve or unallotted status.
- Changes in the original budget assumptions are communicated and understood.

### 1.2 What are the required components of allotments?

### The required allotment data elements

Allotments, and allotment amendments, need to contain the following fiscal data elements:

- Annual or biennial appropriation amounts.
- Monthly estimated expenditures for each program by object and by appropriation code. (The Department of Social and Health Services and the Department of Corrections must provide this data at the subprogram level when programs are appropriated at this level.) Agencies may create allotments at lower than the required levels if they wish, though this data will not be sent to OFM.
- Monthly estimates of FTEs separated into General Fund-State (GF-S) and Other Funds.
- Monthly estimates of revenue by major source, source, and account.
- Monthly estimates of cash disbursements by account. Cash disbursements for capital projects must be submitted by appropriation.
- Monthly estimates of cash receipts by account, major source, and source.

## Packet types indicate allotment purpose

OFM and the Legislature have a need to view the allotments by purpose or type. The packet indicator in the allotment system provides this capability. All allotments submitted to OFM for approval must use the standard packet coding scheme: a leading alpha code as specified below, followed by three digits that represent a sequential numbering of agency allotments by packet type. For example, the initial allotment is submitted as Packet B001; the first unanticipated receipt as U##1, the second unanticipated receipt packet is U##2. Do not use packet numbers that end in 000.

These are the appropriate packet types:

**B** Initial base operating allotment statement (B001) with initial expenditures estimates, cash receipt and disbursement estimates, and revenue estimates. If compensation allocations are included in the budget this biennium, they would also be included in the B001. If these allocations are delayed as a result of a late budget, agencies may submit the allocation allotment in a separate B002 package.



A Allocations, including Governor's Emergency Fund, Retrospective Rating Refund, Savings Incentive and any other special allocations.

- Use the **A6XX series** for Savings Incentive Allocations.
- C Capital projects (both appropriated and unanticipated receipts).
  - Use C001 C899 for alpha packets (official OFM allotments).
  - C900 C999 are for numeric packets (APS agency use only).
- **D** Cash receipt and/or disbursement adjustments. Submit the <u>initial</u> cash estimates in packet B001 and in initial capital packets. Submit subsequent revisions in a D packet.
- **G** Governor-directed allotment reductions, as a result of cash deficits.
- L Legislative changes, such as the supplemental budget and provisos that result in appropriation adjustments. This year we are setting aside certain series for certain types of legislative-change allotments.



- Use the **L600 series** for the 2004 Supplemental Budget.
- Use the **L700** series for the 2005 Supplemental Budget.



- S Quarterly allotment expenditure revisions. SHB 2196 now allows agencies to make quarterly adjustments to expenditure allotments rather then limiting adjustments to the beginning of the second year.
  - Use the **S100** series for amendments due October 25, 2003.
  - Use the **S200 series** for amendments due January 25, 2004.
  - Use the **S300 series** for amendments due April 25, 2004.
  - Use the **S400** series for amendments due July 25, 2004.
  - Use the **S500 series** for amendments due October 25, 2004.
  - Use the **S600 series** for amendments due January 25, 2005.
  - Use the **S700 series** for amendments due April 25, 2005.
- **R Revenue adjustments**. Submit the <u>initial</u> revenue estimates in Packet B001 and in initial capital packets. Submit subsequent revisions in R packets.
- U Unanticipated receipts (operating only).

# Internal Agency Management Allotments. (Not submitted to OFM.) Do not use packet numbers that end in 000.

## 1.3 Other preparation requirements

### Statutory requirements

The Budget, Accounting and Reporting Act, RCW 43.88, outlines the legal authority and responsibility of the Governor and the Office of Financial Management to allot public funds. Key provisions include:

- Except for legislative and judicial agencies and those headed by elected officials, the Governor shall review expenditure plans for reasonableness and conformance with legislative intent.
- All public funds are subject to allotment unless specifically exempted by the Director of OFM. (See separate OFM memorandum that will be sent in June 2003.)



- After initial approval, expenditure plans can only be revised for changes in assumptions each quarter, for legislative changes in appropriation levels, or for across-the-board reductions mandated by the Governor.
- Operating expenditure allotment revisions may not be made retroactively.
- Whenever any money from the federal government, local government, or private sources is received for a specific purpose and there is no existing appropriation authority, the head of the agency must submit a request for expenditure authority to OFM. (Section 3.5)

Although the allotment represents an official expenditure plan, the appropriation is the maximum legal authority for obligation of funds. No agency is permitted to over-expend or over-encumber any appropriation, or to expend funds contrary to the conditions placed on that appropriation by the Legislature. The fiscal responsibilities of state officers and employees are stated in RCW 43.88.260-43.88.320.

Allotments must match dollars and codes in the appropriation schedule

Total allotments must match both the dollar amounts and appropriation codes shown in the OFM Appropriation Schedule, which lists the appropriations and compensation allocations available to agencies. The appropriation schedule is distributed within a few weeks after the Governor signs the omnibus operating, transportation, and capital budget bills and any other legislation with appropriations.

 Use allotted, unallotted and/or reserve status as appropriate

The total of allotted, unallotted, and reserve must equal the total appropriations and allocations shown on the OFM Appropriation

Schedule. Appropriation authority not yet planned to be used must be placed in unallotted or reserve status.

 Unanticipated receipts authority is documented separately Unanticipated receipt appropriations will not be reflected on appropriation schedules. This authority is documented separately through the unanticipated receipt approval process. Governor's Emergency Fund allocations and certain other allocations are also documented separately.

 Nonappropriated amount constraints Nonappropriated amounts should not exceed total available resources (beginning fund balance [July 1, 2003] plus estimated 2003-05 revenues). Initial allotments for nonappropriated funds should match the amount contained in the enacted budget database in the BASS Version Reporting System unless an alternative level of funding is approved by the agency's OFM analyst. Contact your OFM analyst to discuss any proposed alternative.

### GAAP requirements for allotments

Submit expenditure and revenue allotments for budgeted governmental funds on a Generally Accepted Accounting Principles (GAAP) modified accrual basis of accounting. This basis recognizes expenditures when the fund liability is incurred, if measurable, and revenues in the period in which they become available and measurable. (See the State Administrative and Accounting Manual [SAAM] 80.20.50.b for more information about the modified accrual basis.)

The exceptions to this are budgeted loans, federal food commodities, food stamp benefits, and capital leases. Budgeted loans are allotted as expenditures when disbursed and repayments are allotted as revenues when received. Capital leases are budgeted as expenditures when paid. Federal food commodities and food stamps are not budgeted.

## Allotment requirements for proprietary funds

Expense allotments are to be submitted only for the budgeted portion of proprietary funds. Since expenses in proprietary funds are typically not fully budgeted, only the portion of revenues that pertain to the budgeted expenses should be allotted.

Agencies allotting revenue for accounts from which other agencies spend must allot revenue sufficient to cover the other agencies' authorized spending, including compensation allocations (if these allocations are included in the budget this biennium).

### Omit encumbrances from OFM allotments

Encumbrances are obligations for goods, materials, and services that have been ordered but not received by the end of the accounting

period. Omit encumbrances from the operating and capital allotments sent to OFM in order to allow a valid comparison to expenditure reports that only reflect expenditure disbursements and accruals. Agencies are still permitted to make use of encumbrances in accounting transactions. For more information on the definitions of encumbrances, expenditures, and accruals, please see the State Administrative and Accounting Manual.

Agencies must update the activity inventory to reflect the enacted budget The Agency Activity Inventory provides an activity view of the enacted budget. OFM will provide baseline activity data and instructions for updating this data later this spring. These instructions will include guidance on refining the level of activity data and on how to treat administrative costs. The updated activity inventory will be used in budget development efforts next year. Activity inventory updates are due September 15, 2003.

## 1.4 What are the due dates?

Statute sets deadlines for initial allotment submittal and approval

Agencies must submit proposed expenditure plans within 45 days after the beginning of the fiscal period, or within 45 days after the Governor signs the omnibus appropriations bill, whichever is later. To help with workflow, OFM has established staggered due dates for the initial allotment. Appendix A-1 lists the due dates for each agency.

OFM must enter approved expenditure plans into the state budget, accounting, and reporting system within 45 days after receipt.

### Key Allotment-Related Submittal Dates for the 2003-05 Biennium

X	Types of Allotment	Operating	Capital	Deadlines
B001	Initial allotment of appropriations, including compensation allocations	•		July 28, August 4, or August 11, 2003 (See Appendix A-1)
S	Quarterly operating expenditure revisions	•		Before the 25 <sup>th</sup> of October, January, April, and July.
L	Legislative changes to appropriationUse L 6XX series for 2004 Supplemental BudgetUse L7XX series for 2005	•		Supplemental budget changes: Spring 2004 and 2005, subject to passage of supplemental budgets by the Legislature
G	Supplemental Budget  Governor-directed expenditure revisions because of cash deficit	•		Only when instructed by OFM
A	Special allocations for emergency appropriations, compensation, retrospective rating refunds, savings incentive and other special allocations	•		Before the 25th of the current month
NEW.	Use A6XX series for Savings Incentive Allocations			
U	Operating Unanticipated Receipts	•		Before the 25th of the current month
D	Cash Receipts and Disbursements only	•		Before the 25th of the current month
R	Revenue only	•		Before the 25th of the current month
С	Capital Allotments and Capital Unanticipated Receipts		•	Before the 25th of the current month
#	Internal Agency Management Allotments	•	•	Agencies prepare as needed; these are not sent to OFM for review, but the data is transferred to AFRS.

## 1.5 What are the submittal requirements?

Documents and information required with allotment submittal

The list below identifies the documents and information required for both operating and capital allotment submittals. You'll notice some of these items can be submitted through one of the allotment or budget systems; others need to be submitted to OFM as documents.

### **Allotment Transmittal Requirements**

Data Type	When Required	Transmittal Method		
Both Operating and Capital Allotments				
Appropriation by Fiscal Year	Initial allotment; amendments that change appropriations	APS/TAPS		
Estimated Expenditures by Object, Month, and Account	Initial allotment; amendments	APS/TAPS		
Narrative explanation of the reasons for the significant changes in the allotment amendment	Initial allotment; amendments	Electronic form on the OFM Web site.		
Cash Disbursements by Month and Account (and Appropriation – Capital)	Initial allotment; any other time when the disbursement pattern is expected to change	APS/TAPS		
Revenue by Month, Account, Major Source, and Source	Initial allotment, unanticipated receipts, updated revenue forecasts, and other times when revenue estimates change	APS/TAPS		
Cash Receipts by Month, Account and Major Source, and Source	Initial allotment, unanticipated receipts, updated cash receipt forecasts, and any other time when the receipt estimates or pattern changes	APS/TAPS		
Unanticipated Receipt Request (B20-1)	With unanticipated receipt allotment amendment	Document		

### **Operating Allotments Only**

Allotment Summary (01S)	Initial allotment only, or if requested by OFM budget assistant	APS/TAPS and Document
FTEs by Month and Account (GF-S and all other)	Initial allotment; amendments	APS/TAPS

Data Type When Required Transmittal Method

#### **Capital Allotments Only**

Capital Position/FTE List	With initial capital allotment and each June 30.	CBS/BASS
Omnibus Appropriation Project List (C2)	With initial capital allotment and each June 30.	CBS/BASS
Allotment Request for Design (A-1)	When appropriate	Document
Allotment Request for Construction (A-2)	When appropriate	Document
Cost Estimate C-100	With initial capital allotment requests, amendments and with project list updates	Electronic spreadsheet
Project Updates (C2)	With initial capital allotment and each June 30.	CBS/BASS
Reappropriation allotment	With the initial allotment	APS/TAPS

Mailing address for allotment forms and unanticipated receipts OFM Operations-Allotment Control, Budget Division

MS: 43113

Note: Forms the narrative explanation of allotment amendments will be sent automatically to the allotment control by email.

### 1.6 Systems available for submitting required allotment data

Two systems are available

With the exception of information identified as "Document" or "Electronic Form" on the forms listed in Section 1.5, agencies must transfer all allotment data to OFM electronically. There are two allotment preparation systems available to agencies—The Allotment Preparation System (TAPS) and Allotment Preparation System (APS).

• The Allotment Preparation System (TAPS) TAPS provides on-line, interactive preparation functions for some state agencies. TAPS also provides a means for agencies with their own allotment preparation systems to submit that data to OFM.

• Allotment Preparation System (APS)

The OFM Accounting Division also provides allotment preparation services to agencies that can make use of that system's enhanced reporting capabilities, but do not require batch input or other nonstandard interfaces. For more information or assistance about these systems or related training, please contact:

TAPS/APS - OFM Accounting Division Art Overman, (360) 725-5271 or The BASS Help Line (360) 725-5278

#### 1.7 Resources

#### For questions on:

Allotment procedures and policies

Contact the OFM Budget Analyst assigned to your agency (see the Budget Analysts Assignment List) or

Monica Jenkins, Budget Operations at (360) 902-0561.

Capital allotments

Contact Craig Olson, PE, Capital Budget Analyst at (360) 902-0531 or

Tom Boyer, PE, Capital Budget Analyst at (360) 902-0544

Appropriation schedules

Contact Linda Swanson, Budget Operations at (360) 902-0541.

requirements and entry

**Performance measure** Contact Laurie Lien, Budget Operations at 902-0567.

Activity inventory Contact Lynne McGuire, Budget Operations at (360) 902-0581 or

Linda Swanson, Budget Operations at (360) 902-0541.

Savings incentive program Contact Pam Davidson, Budget Analysis, Research and Compensation at 902-0550.

### **Other References**

- Budget, Accounting, and Reporting Act RCW 43.88
- Unanticipated Receipts, Savings Incentive Program—RCW 43.79
- State Administrative and Accounting Manual



#### Chapter 2

### **Preparing Initial Operating Allotments**

### 2.1 About the initial allotments

What is the purpose of the initial allotments?

The initial allotment represents the agency's initial spending plan for the legislative budget. At this point in the biennium, it's assumed that there will be little change from legislative assumptions about basic expenditure patterns, supporting revenues, and program outcomes.

What do they include?



The initial allotments present an agency's detailed plan for monthly revenue and expenditures based on the terms, limits, conditions and original assumptions in the legislative appropriations and budgets. The initial allotments also present the related plan of cash receipts and disbursements. The initial allotments should provide these estimates for every month of the biennium.

Also explain where general efficiency and object cuts will be taken



This year agencies must submit an explanation in writing where the agency plans to take cuts due to any general efficiency and object savings assumed in the enacted budget. Indicate the amount of the total cut planned to be applied to your agency by activity. Also explain why the agency chose to direct the cuts to these activities.

To submit this information use the electronic Allotment Narrative form on the OFM Web site.

- Click on the link to view the form.
- In the appropriate boxes type in:
  - o Date
  - o Your agency number and agency name
  - o Program number
  - o The packet type and number (B001, S015, etc.)
  - o Contact Name
  - o Contact email address
  - o Contact phone number
  - o The information described above.
- Select the send button to transmit the form to OFM Allotment Control and then on to your assigned OFM budget analyst.

We also encourage agencies to use this form to provide explanations of significant changes from the assumptions in the Governor's budget, for example if revenue assumptions have changed significantly.

Initial allotments for nonappropriated accounts

Initial allotments for nonappropriated accounts should match the amount contained in the enacted budget database in the BASS Version Reporting System, unless an alternative level of funding is approved by OFM. The exception to this is that compensation changes (any salary and health benefit increases, and pension rate savings, if enacted by the Legislature) should be included in the initial allotments.

When are they due?



The initial operating allotment packet (B001) is due either July 28, August 4, or August 11, 2003, as specified in Appendix A-1. Initial capital allotments are due at the same time as the agency's initial operating allotment.

When will they be approved and available in AFRS?

OFM will review and approve the allotments in its Allotment Review System as soon as possible within the statutory deadline of 45 days. We encourage agencies to use the checklist in Section 2.10 to minimize technical errors that can hold up the approval process. The allotments are transferred to the Agency Financial Reporting System (AFRS) after approval. Once all agency allotments are approved, OFM will send each agency an allotment status report that reflects OFM approval of the initial B001 packet.

Agencies may develop additional spending plan views

We understand that agencies may need alternative spending plan views suited to specific agency management purposes. Agencies may create additional spending plan views through the allotment systems by preparing agency-use adjustment packets that can be combined with the OFM-approved allotments in reports. These agency-use packets should be given a numeric packet code (#0001 through #9999). These packets will not be forwarded to OFM for review and approval.

We expect that with the increased flexibility provided by SHB 2196, many agencies will find they have a reduced need to maintain separate spending plans.

Compensation allocation accounts may not be necessary in the 2003-05 budget



Legislative and OFM staff have been working on an approach that could allow appropriations for compensation changes to be placed directly in agency accounts and remove the need for the compensation allocation accounts (406, 427) this biennium.

If this effort is successful, agencies will not be requested to submit updated B6 information for a compensation allocation. If compensation allocations turn out to be necessary, agencies may receive separate instructions about B6 data. The instructions in this chapter describe how to treat compensation-related issues under either scenario.

### 2.2 General requirements for the initial allotment submittal

Use a B001 Packet Indicator for all initial operating allotments

Use the B001 packet number for all initial allotment elements including: expenditures; cash receipts and disbursements; FTEs; and revenue estimates.

If compensation allocations are included in the budget this biennium, they would also be included in the B001. If these allocations are delayed as a result of a late budget, agencies may submit the allocation allotment in a separate B002 package.

Use the appropriate transaction code for each allotment component

The TAPS and APS systems require users to enter the proper transaction code for each allotment transaction to ensure the data is properly reflected in AFRS. These transaction codes are provided below. Please refer to the individual preparation systems' documentation for more detailed instructions and sample forms.

### **Allotment Transaction Codes by Preparation System**

		TAPS		
Transaction Description	Option Source of Funds	1 Objects	Option 2 Full Account Code	
APPROPRIATIONS				
Establish or increase appropriations	700		700	S1 +
Abolish or decrease appropriations	700R		700R	S1 -
EXPENDITURES				
Increase allotted from unallotted	702	703	702	D1 +
Decrease allotted to unallotted	704	705	704	D1 -
Decrease allotted to reserve	706	707	706	D2 +

	TAPS			APS
_	Option		Option 2	
Transaction Description	Source of Funds	Objects	Full Account Code	
Increase allotted from reserve	708	709	708	D2 -
Increase reserve from unallotted	710		710	S2 +
Decrease reserve to unallotted	711		711	S2 -
Lapse allotment	712	713	712	D3 +
Lapse unallotted	714		714	S3 +
Lapse reserve	715		715	S4 +
CASH DISBURSEMENTS				
Establish or increase estimated cash	906		906	DC +
Abolish or decrease estimated cash	906 R		906 R	DC -
ENCUMBRANCES – agencies should n	ot allot encumbra	ances.		
FTES				
Establish or increase estimated FTEs	730		730	D1 +
Abolish or decrease estimated FTEs	731		731	D1 -
REVENUE AND CASH RECEIPTS				
Establish or increase estimated revenue	733		733	RC+
Abolish or decrease estimated revenue	733 R		733 R	RC -
Establish or increase estimated receipts	905		905	RD+
Abolish or decrease estimated receipts	905 R		905 R	RD -

The OFM-01S form summarizes the initial allotment request

The OFM-01S form is automatically produced by the allotment system (APS/TAPS). Please note and double check the following items:

- FTE totals should match legislative FTE totals
- **A. Personnel Summary:** These FTE totals should match the totals in the BASS enacted budget version of agency budgets unless an exception is discussed with the OFM budget assistant.
- amounts in reserve or unallotted status
- Explain any B. Expenditures by Program: Please provide your assigned budget assistant with an explanation for any amounts placed in reserve or unallotted status.
- against the appropriation schedule
- **Check allotments** C. Expenditures by Account: Check the total allotment for each appropriation against the OFM Appropriation Schedule. All appropriated dollars must be included in the allotment submittal. The total allotment for each nonappropriated account should be checked against the BASS enacted budget version.

Release only a complete packet of allotment transaction data to OFM

Release only complete packets of allotment transaction data to OFM. Agencies that allot subprograms cannot release packets until the submittal reflects a complete allotment at the agency level. (There are occasional exceptions to this rule for the initial allotment. Please contact Monica Jenkins for approval of an alternative submittal approach.)

### 2.3

### Preparing appropriation entries (Transaction Code TAPS=700, APS=S1)

Agency appropriations must be established in the allotment system first

The agency must first establish allotment appropriations to match the appropriation and allocation dollar amounts contained in the OFM Appropriation Schedule. All appropriated and nonappropriated funds must be established in unallotted status before allotment or placement in reserve. If the agency fails to establish the total amount authorized, OFM will require the allotment to be corrected. Transaction codes 700 and S1 automatically place the money in unallotted status.

General Fund-State appropriations and certain other appropriations are restricted by fiscal year

General Fund-State appropriations and any other appropriations on the appropriation schedule that have a specific fiscal year amount must be established in the fiscal year identified on the appropriation schedule. The use of each year's appropriation is limited to the fiscal year for which it was appropriated. Any excess balance cannot be carried over from Fiscal Year 2004 to Fiscal Year 2005 unless approved by the Legislature in a supplemental budget.

The appropriation schedule identifies other funds as a biennial total, giving the agency the ability to split the funds between the fiscal years as dictated by operational needs. However, agencies should be prepared to explain significant differences in fiscal year splits from those assumed in the legislative budget database.

Use only approved appropriation and program codes

Agencies may use only appropriation codes that appear in the OFM Appropriation Schedule or in the State Administrative and Accounting Manual, and program codes used in the Governor's budget (as revised by the Legislature).

For unanticipated receipts, local budgeted funds, and other operating expenditures not governed by the Appropriation Schedule, the agency can select appropriation codes within the ranges displayed in Section 75.50 of the State Administrative and Accounting Manual, as described below, and in the unanticipated receipt Section 3.5.

#### Codes for nonappropriated operating funds that must be allotted

Operating—State 960, 963-970, 973-979

Operating—Federal 980, 983-989 Operating—Private/Local 990, 993-999 Capital—State R10-R90

### 2.4

### Preparing FTE entries (Transaction Code TAPS=730/731, APS=D1)

### Record FTEs by month and fund source

FTEs represent the number of full-time equivalent staff months to be paid each month. List FTEs by fund source in the allotment: General Fund-State (001) and all other funds--including General Fund-Federal and General Fund-Private/Local (996). All capital FTEs are allotted to Other Funds (996).

Agencies may enter their FTEs in APS and TAPS by Appropriation Index (AI) for detailed reporting in AFRS. APS and TAPS will automatically summarize any AIs for FTEs to the Account 001 and Account 996 level when agencies release allotment packets to OFM.

FTEs do not need to be established in unallotted status before allotment.

### Defining and calculating FTE staff months

A paid staff month of employment is defined as one full calendar month of paid employment (the equivalent of 174 paid hours), including callback, overtime, and replacement help while an employee takes compensatory time, and all paid leave.

To compute staff months for part-time positions or irregular hours, divide the number of paid hours by 174. The number of staff months should be entered with one decimal place.



## Preparing allotment charges (expenditure) entries (Transaction Code TAPS=702/703, APS=D1)

# Provide monthly estimates of expenditure by object and account

The estimate of allotment charges represents the agency's best estimate as to how and when expenditures (disbursements, accruals, and loan distributions) will be incurred within the limits of the appropriation. Provide estimates of monthly expenditures by object and account.

Place appropriation authority not planned to be used in either unallotted or reserve status Appropriation authority not yet planned to be used must be placed in unallotted or reserve status. **Reserve status** applies to appropriations not expected to be used because of circumstances such as Governor's across-the-board allotment reductions, technical corrections, or proviso compliance. Once funding is placed in reserve status, it usually is not expected to be allotted at a later time. **Unallotted status** is used to refer to expenditures not yet specifically scheduled, but expected to be allotted at a future time.

To the extent possible, amounts in unallotted or reserve status should be placed in the proper fiscal year. Unallotted dollars in the first year cannot be moved to the second year once we are in the second year.

## Code all equipment in object J



For the 2003-05 Biennium, equipment previously coded in subobject EQ will be coded as subobject JA. Ensure that you include these expenditures in object J in the allotments. See the State Administrative and Accounting Manual for more information on object codes.

## 2.6

# **Preparing estimated revenue entries** (Transaction Code TAPS=733, APS=RC)

# Recognize revenue on the modified accrual basis

In accordance with Generally Accepted Accounting Principles (GAAP), revenues in governmental funds are recognized on the modified accrual basis; revenues are recorded when available and objectively measurable. "Available" means collectable within the current period or soon enough thereafter to be used to pay the liabilities of the current period. "Measurable" means the amount of the transaction can be determined. In proprietary and fiduciary funds, revenues are recognized on an accrual basis; they are recorded when earned and objectively measurable.

## Revenue allotment requirements

#### Content

- Agencies should submit allotments for all the revenues they collect, even if those revenues are spent by other agencies.
- Provide monthly estimates--by major source, source and by account--for all revenue, operating revenue transfers, and other sources such as interest on repayment of loans.

Agencies often forget to include certain types of transfers (e.g., operating transfers, and statutory transfers between accounts) in their revenue estimates. Any of these items that are material must

also be allotted. Take special care to report both sides of each transfer between accounts, since they must net to zero.

#### Federal and private/local

• Update revenue estimates for federal and private/local funds to match expenditures authorized by the Legislature, or the amount expected, whichever is less. Revenue estimates for federal or private/local fund sources should match expenditures in both the operating and capital budgets. There are a few exceptions where federal and private/local revenue and expenditures do not match. Please discuss with David Ward, Budget Operations, at (360) 902-0554 before submitting exceptions.

#### What's excluded, included

- The monthly revenue estimates for the 2003-05 Biennium should exclude revenue earned in 2001-03 even if the cash was received in the 2003-05 Biennium. (These cash receipt estimates, however, would be allotted in 2003-05.)
- Monthly revenue estimates for 2003-05 must <u>include</u> any revenue earned in 2003-05 but not anticipated to be received until 2005-07.

#### Forecast assumptions

• For those agencies with revenue subject to review by the Economic and Revenue Forecast Council or the Transportation Revenue Forecast Council, it is necessary that monthly estimates be consistent with the current forecast. For those agencies that prepare their own dedicated account forecasts, monthly estimates should be consistent with their current forecast. See Section 3.3 for a list of significant accounts subject to forecasts.

#### Source code restrictions



• A number of changes to revenue source codes are effective for the 2003-05 Biennium. The State Administrative and Accounting Manual (SAAM) lists appropriate revenue source codes and titles. However, since the revised SAAM will not be available until June 2003, Appendix A-2 shows definitions and source codes from the revised chart of accounts that must be used for the 2003-05 allotments.

### **Proprietary funds**

 Submit revenue allotments only for the budgeted portion of proprietary funds. Since expenses in proprietary funds are typically not fully budgeted, only the portion of revenues that pertain to the budgeted expenses should be allotted. These estimates must contain sufficient revenue for all agencies spending from the account, and must also cover compensation allocations if they are included in the budget.

# Revenue transfers will be needed if compensation allocations are included

If compensation changes are budgeted in the compensation allocation accounts—Salary and Insurance Increase Revolving Account (406) and the Retirement Contribution Increase Revolving Account (427)—agencies will need to allot the appropriate revenue transfers.

Because these accounts are used solely for statewide salary, health insurance, or pension increases, there is no actual revenue in the accounts to support the expenditure authority allocated by OFM. Thus, any allotment of expenditures for compensation allocations must be accompanied by a revenue transaction putting dollars into 406 or 427 and taking a like amount out of the dedicated funds that will actually bear the cost. The total revenue transferred into Accounts 406 and 427 should match the dollar amount being allotted on the expenditure side. These accounts are only used for compensation allocations outside the General Fund. All related compensation revenue transfers must use source code 0726.

### 2.7 Preparing cash disbursement entries (Transaction Code TAPS=906, APS=DC)

# Cash allotments are critical for statewide cash management

OFM and the State Treasurer use cash disbursement and receipt allotments for statewide cash management. It is important that these allotments are the best possible estimates of the timing of cash flows. During tight budget times, cash management becomes a critical function. Accurate allotments can prevent unnecessary and costly cash management practices.

Because the cash disbursement allotments are presenting the best estimate of cash outflows, they do not need to equal the total appropriation.

# Required elements of cash disbursement allotments

- Provide monthly cash disbursement estimates at the agency/account level only for operating packets; at the agency/account/appropriation level for capital packets. Do not show estimates for programs or objects.
- Include only those cash outlays reflected by warrants, journal vouchers, or electronic fund transfer transactions by the agency estimated to occur in a given month. This includes transfers out of operating funds to Payroll and Vendor Payment Revolving Accounts.
- If compensation allocations are included in the budget, do not provide cash disbursement estimates for Accounts 406 and 427 (salary and pension special allocation accounts). Instead, show the disbursements for compensation allocations in the agency's operating accounts where the costs are originally charged.
- For General Fund (001) cash disbursement estimates, provide a combined total of General Fund-State, General Fund-Federal, and

General Fund-Private/Local. Do not record federal and private/local sources separately.

### **Developing cash** disbursement estimates

We encourage agencies to consider their previous biennium cash actuals when they develop these estimates. Expenditures and cash disbursements usually do not match exactly, although there is a relationship between them. Travel accrued in one month, for example, may be paid for (disbursed) in the next. The expected relationship between expenditures and cash allotments simply reflects the difference between when an expenditure/expense is incurred and when the agency pays for it, as illustrated below.

The example below illustrates a typical 30-day lag between expenditures and disbursements. Many agencies have business cycles that will not follow this model. Please consider your agency's unique patterns when compiling your cash allotments.

In agencies with mainly payroll expenses and no staffing changes, actual expenditures and cash disbursements are nearly equal on a monthly basis. This happens because disbursements, such as payroll made in the current month for salary expenses accrued in the prior month, are nearly equal to the accruals in the second half of the current month.

Transaction	Expenditure Allotment Entry	Cash Disbursement Allotment Entry
Example: A chair is recei	ived in March, and is paid for in March.	
In March:	\$100	\$100
Example: A chair is recei	ived in March, and is paid for in April.	
In March:	\$100	0
In April:	0	\$100

### 2.8 Preparing cash receipts entries (Transaction Code TAPS=905, APS=RD)

Cash receipt estimates are required at the major source and source level

Cash receipts are defined as all monies received during the fiscal period irrespective of when (or if) the monies are earned. Cash receipt estimates are required at the agency, account, major source, and source level of detail. The estimated cash receipts by revenue source code should tie to the official forecast for those agencies that report General Fund revenue to OFM or directly to the Economic and Revenue Forecast Council. As with revenue allotments, cash receipt allotments for federal and private/local funds should reflect the expenditure level authorized by the Legislature, or the amount anticipated, whichever is less.

### Developing cash receipts estimates

We encourage agencies to consider their previous biennium cash actuals when they develop these estimates. While revenue allotments and cash receipt allotments are not usually equal, there is a relationship between the two. For example, taxes accrued in one month may be collected in the next. Generally, agencies that collect only licenses, permits or fees and do not often give refunds will display equal revenue allotments and cash receipt allotments.

The example below illustrates a typical 30-day lag between revenues and receipts. Many agencies have business cycles that will not follow this model. Please consider your agency's unique patterns when compiling your cash allotments.

Transaction	Revenue Allotment	Cash Receipt Allotment	
Example: Taxes due in N	March and received in March.		
In March:	\$100	\$100	
Example: Federal reimbl	ursement earned in March, but received in April.		
In March:	\$100	0	
In April:	0	\$100	

### 2.9 Guide for estimating employee-related and revolving fund costs

The salary and benefit rate information described in this section is available in BPS1

All the salary and benefit information described below can be obtained through the Budget Preparation System 1 (BPS1). For additional information and training on BPS1, contact Art Overman in OFM's Accounting Division.

Include non-basic salary costs in the salary estimates

In addition to basic compensation, salary estimates should include callback, irregular hours compensation, terminal leave, and sick or annual leave buy-out. The agency needs to accommodate the provisions of the Fair Labor Standards Act (FLSA) within available funds.

#### Rates for OASI payments

Agencies should program OASI payments at the following rates:

- Calendar Year 2003: 6.2 percent of the first \$87,000 for Social Security purposes, and an additional 1.45 percent of all salaries for Medicare (a total of 7.65 percent).
- Calendar Year 2004: 6.2 percent of the first \$88,500 for Social Security purposes, and an additional 1.45 percent of all salaries for Medicare (a total of 7.65 percent).

• Calendar Year 2005: 6.2 percent of the first \$91,800 for Social Security purposes, plus an additional 1.45 percent of all salaries for Medicare (a total of 7.65 percent).

#### **Medical aid estimates**

Allotment estimates for the state's share of medical aid and industrial insurance payments should be based on current biennium rates, which differ for various job types. Agencies must verify current occupational rate schedules with the Department of Labor and Industries.

# State contribution to employee insurance program

For each eligible employee, the monthly employer funding rate is \$504.89 for Fiscal Year 2004, and \$592.30 for Fiscal Year 2005.

## Employer contributions to retirement systems

The total allotment for retirement system contributions must equal the specific employer contribution rate. Most percentages include a contribution rate of 0.22 percent (0.0022) of total reportable salaries for the Department of Retirement Systems' (DRS) administrative costs for July 2003 through June 2005. Agencies should not allot DRS administrative expenses for the Judges Retirement System or the Judicial Retirement System. The Department of Retirement Systems will notify agencies of any changes to this rate.

### **Retirement System Employer Contribution Rates**

(Includes 0.22 percent DRS administrative rate)

### July 2003 — June 2005

Public Employees' Retirement System Selected Elected Officials (Plan 1 Only) Washington State Patrol Retirement System	1.4% 1.99% 3.25%
July 2003 and August 2003 Teachers' Retirement System	1.27%
September 2003 — June 2005 Teachers' Retirement System	1.39%

### **Department of Personnel Service Account Charge**

The Department of Personnel (DOP) Service Account (Account 415) billing rate will be no more than 0.70 percent (.0070) of covered salaries and wages for the 2003-05 Biennium. Agencies should plan to pay the annual amount during the second quarter of each fiscal year. Billing adjustments will be made at the close of each fiscal year as required. Applicable amounts should be included in Object E, Goods and Services.

# Higher Education Personnel Service Fund Charge

The initial billing rate for the Higher Education Personnel Service Fund (Fund 455) will be no more than 0.35 percent (.0035) of covered salaries and wages for the 2003-05 Biennium. Institutions of higher education should program the applicable amount in July of each fiscal year in Object E, Goods and Services. Adjustments will be made at the close of each year as required.

**NOTE:** Final personnel service billing rates will not be known until after the 2003-05 budget is enacted, and DOP collects information from agencies regarding their classified salary base. DOP will calculate its final rate, and will inform agencies in a separate memorandum.

# Unemployment compensation reimbursement

Agencies are required to reimburse the Employment Security Department (ESD) for unemployment compensation paid to former agency employees. ESD will notify agencies quarterly of their actual unemployment compensation liability. OFM encourages reimbursement of current billings when possible, since agencies paying on a delayed basis will be charged interest at the treasury bill rate. Estimated unemployment compensation amounts are to be allotted in Object B, Employee Benefits.

Since the budget and accounting systems are GAAP based, the expenditures for unemployment compensation are to be recorded in the fiscal period in which they are incurred, regardless of when paid.

### Revolving Fund Charge Estimates

The following revolving accounts are used to reflect the cost of various interagency services:

- Legal Services Revolving Account (Attorney General)
- Data Processing Revolving Account (Department of Information Services)
- Archives and Records Management Account (Secretary of State)
- Auditing Services Revolving Account (State Auditor)
- Administrative Hearings Revolving Account (Office of Administrative Hearings)
- General Administrative Service Account (Department of General Administration)

- Minority and Women's Business Enterprises Account (Office of Minority and Women's Business Enterprises [OMWBE])
- Risk Management Self Insurance Premiums (Office of Financial Management)

Estimated billings from agency service accounts were included in the Governor's recommended budgets for individual agencies and were revised to reflect actions of the Legislature. OFM will provide this information to agencies as soon as it is available after the legislative session ends. The revised estimate should be used as part of the initial allotment calculation for Object E, Goods and Services.

Office of the Secretary of State Archives and Records Management, Office of Administrative Hearings, and Department of General Administration Facilities and Services are billed by quarter (July, October, January, and April of each year). Charges for OMWBE and the Risk Management Administration Revolving Account are billed annually (in the July-August timeframe). Office of the Attorney General and Department of Information Services are billed monthly. Enter cash disbursements in the month the interagency service bill will be paid. For more detailed information on accounting for these transactions, refer to the State Administrative and Accounting Manual 85.90.40.

These are estimates only agencies must pay for actual goods and services received

Please remember that the allotments for revolving fund charges represent estimates. Agencies are responsible to pay for actual goods or services received, regardless of the estimate.

### 2.10 Allotment checklist for initial packets

a checklist to review to help ensure your initial allotment is complete and accurate submitting to OFM.
Did you use the appropriate packet type of B001?
Does the allotment reflect legislative intent? Does the allotment correspond to the appropriation bill provisos?
Are all funds (except those specifically exempted by OFM) allotted?
For GF-S expenditures, do annual allotments match the annual GF-S appropriations? For other funds, do the year splits appear reasonable in comparison with the legislative database?
Do the expenditures for nonappropriated accounts match the enacted budget database? If not, describe the differences.
Does the total of allotted, unallotted, and reserve for each appropriation match the OFM Appropriation Schedule (except for nonappropriated amounts)?
Does the total appropriation established (transaction S1 for APS and 700 for TAPS) equal the totals in allotted, unallotted, and reserve for each appropriation? (For APS users, the total S1 entry for each appropriation should be equal to the total D1+ and D1- entries plus amounts in unallotted and reserve. For TAPS users, the total 700 entries for each appropriation should be equal to the total 702 and 704 entries plus amounts in unallotted and reserve.)
Are the amounts in unallotted or reserve explained?
Do the monthly patterns appear reasonable? Spread monthly estimates on historical patterns adjusted for expected changes in new funding or according to statutory monthly allocation schedules.
Did you submit a narrative explanation of where across-the-board cuts were taken? (Section 1.1)
Do FTE levels agree with the enacted budget data?
Are project revenues consistent with the Governor's budget as modified by the Legislature?
Did you allot all budgeted revenues collected by your agency, regardless of which agency spends the revenue?
Do federal and private/local revenues match expenditures?
Do Object T Intra-agency Transfers net to zero at the agency level? Note: This may not be possible if one side of the transfer is in a non-budget/non-allotted fund.

Do not allot Object F, Cost of Goods Sold.
If compensation allocations are included in this biennium's budget, allot spending authority for compensation from dedicated accounts. Ensure transfers are properly made.
The administering agency should ensure that dedicated accounts have sufficient July 1, 2003 fund balance plus estimated 2003-05 revenues to cover allotted expenditures, including expenditures by other agencies that receive appropriations from the account.



#### Chapter 3

### **Preparing Operating Allotment Amendments**

### 3.1 When are allotment amendments expected and allowed?

# When are allotment amendments required?

OFM requires operating allotment amendments to be submitted for the following changes in the agency's initial expenditure, revenue and cash plan.

- Legislative changes to an appropriation, for example a supplemental budget.
- Executive changes to expenditure authority, such as expenditure reductions directed by the Governor because of a revenue shortfall, emergency fund, retrospective rating refund, savings incentive or other allocations, and unanticipated receipts requests.
- Revised estimates of the amount or timing of cash receipts, cash disbursements or revenue.



• Any significant quarterly updates identified by the agency or requested by OFM.

# Expenditure allotment amendments may now be made quarterly

SHB 2196 made changes to the Budget, Accounting and Reporting Act:



• Allows agencies to submit expenditure allotment amendments quarterly along with an explanation of the reasons for significant changes, instead of limiting agencies to one update in the biennium. OFM may also request that agencies submit an allotment amendment. Instructions on this type of amendment are covered in Section 3.2.

OFM will continue to monitor variances; agencies should also

• No longer requires that OFM submit a quarterly report of major allotment/expenditure variances to the Legislature. OFM will continue to monitor actual expenditures against allotments and post monthly fiscal status reports on the OFM Web site. We expect agencies to monitor these variances and to take management action as appropriate. Administering agencies should regularly track the fiscal health of accounts they are responsible for. Agencies can order a variety of AFRS Administering Agency reports to assist in this effort.

# What are the submittal deadlines?

Except where noted below, operating amendments are due no later than the 25th of the current fiscal month to allow time for budget analyst review prior to AFRS fiscal month cut-off. Although most allotment amendments released to OFM by the required due date will be approved and entered into AFRS promptly, system problems or analytical issues may sometimes cause delays. Any allotment amendment which misses the AFRS cut-off date, for whatever reason, will have to be returned to the agency if it contains retroactive allotment transactions—transactions relating to a closed fiscal month.

Provide a narrative explanation with allotment amendments

Agencies are required to submit a narrative explanation for the significant changes reflected in each allotment amendment.



Use an e-form on the OFM Web site to submit your explanation The APS and TAPS systems do not support the submittal of narrative text. To submit this information, use the electronic Allotment Narrative form on the OFM Web site.

- Click on the link to view the form.
- In the appropriate boxes type in:
  - o Date
  - Your agency number and agency name
  - o Program number
  - o The packet type and number (B001, S015, etc.)
  - Contact name
  - o Contact email address
  - Contact phone number
  - o Description of the significant changes reflected in the allotment amendment.

Select the send button to transmit the form to OFM Allotment Control and then on to your assigned OFM budget analyst.

### 3.2 Quarterly expenditure allotment amendments

Prepare a quarterly allotment amendment when expenditure assumptions change significantly

The assumptions upon which the initial allotment plan is based may change over time. When the assumptions for expenditures in future months change significantly, agencies should prepare an allotment amendment for the next quarterly update.



OFM is particularly interested in amendments to reflect changes in the initial assumptions of key budget drivers including caseloads, population and client patterns, and revenue. We are also interested in significant changes in the planned timing and implementation of programs and services. Agencies should submit allotment amendments and narrative explanations for these types of changes. We encourage agencies to include any other updates that make the

allotment more useful as an expenditure plan. Narrative explanations are not required for minor changes.

OFM and the Legislature will be monitoring actual expenditures against the allotments and looking to understand significant variances from the initial allotments. We encourage agencies to anticipate questions about such variances and to submit allotment amendments and assumption changes in any quarter necessary to provide reviewers with an accurate understanding of the expected spending plan and variances. OFM may require an agency to submit an allotment amendment.

## Do not make retroactive adjustments

Agencies may not make retroactive operating expenditure allotment amendments--changes to allotments for past months (RCW 43.88.110(8)). Agencies may make expenditure allotment adjustments for current or future month activity.

#### What are the deadlines?

Deadlines for quarterly allotment amendments are:



- October 25, 2003 and 2004
- January 25, 2004 and 2005
- April 25, 2004 and 2005
- July 25, 2004

# Submittal requirements for the allotment amendment

Use an S packet indicator for quarterly operating allotment amendments.

- Use the **S100 series** for amendments due October 25, 2003.
- Use the **S200 series** for amendments due January 25, 2004.
- Use the **S300 series** for amendments due April 25, 2004.
- Use the **S400 series** for amendments due July 25, 2004.
- Use the **S500 series** for amendments due October 25, 2004.
- Use the **S600 series** for amendments due January 25, 2005.
- Use the **S700 series** for amendments due April 25, 2005.

Expenditure revisions may include altering expenditure estimates by month, program, or object; shifting estimates between allotted and unallotted status; and updating nonappropriated account estimates. Revenue, cash receipt, and cash disbursement amendments should accompany these expenditure revisions when appropriate.

See Sections 2.2 and 2.4-2.8 for information on proper transaction codes and entries. Also see the allotment amendment checklist at the end of this chapter.

Submittal requirements for the narrative explanation

Agencies must provide a brief description of how the spending plan assumptions have changed from the initial allotment for any significant revisions included in the amendment.

- Have any assumptions of key budget drivers—caseloads, population and client patterns, or revenue—changed significantly from those in the initial allotments?
- Has there been a significant change in the planned timing and implementation of programs or services? (For example, a new institution will open three months later than originally planned.)
- Has there been any other significant change in assumptions from the initial allotment? (For example, new requirements identified in the design phase of a information technology project will cause a significant change in project scope and project costs. OFM would not consider as significant, for example, costs shifts due to a delay in purchasing a small number of personal computers or to staff vacancies.)

Use an e-form on the OFM Web site to submit your explanation



The APS and TAPS systems do not support the submittal of narrative text. To submit this information, use the electronic Allotment Narrative form on the OFM Web site. See more detailed instructions in Section 3.1.

### 3.3 Revenue and cash receipt allotment amendments

Submit quarterly revenue and cash receipt allotment amendments for forecast and other assumption updates



Revenue and cash receipt amendments are required whenever the quarterly revenue forecast of the Economic and Revenue Forecast Council or the Transportation Revenue Forecast Council is revised. Revenue estimates for those agencies that do not report to the Council should be amended as necessary to reflect any change in the amount or timing of projected revenues and cash receipts, or to adjust for actual collection experience. The following accounts are of relative substance and subject to forecasts.

001 General Fund
014 Forest Development Account
01V State Convention and Trade Account
02V PSEA
02W Timber Tax Distribution Account
03F Enhanced 911 Account
03L County Criminal Justice
03M Municipal Criminal Justice
041 Resource Management Cost Account
058 Public Works Assistance Account

076 Treasurer's Deposit Income

081 State Patrol Highway Account

097 RV Account

099 Ferry Capital

102 Rural Arterial

104 Wildlife Account

107 Liquor Excise Tax Account

108 Motor Vehicle Account

109 Ferry Operations

112 Urban Arterial Trust

139 Water Quality Account

144 Transportation Improvement

173 State Toxic Control Account

174 Local Toxic Control Account

181 VERDE

186 County Arterial Preservation

204 Volunteer Firefighter

215 Special Category C

218 Multimodal Account

269 Parks Renewal and Stewardship Account

501 Liquor Revolving

537 State Convention and Trade Center Operations Account

760 Health Services Account

787 Sulfur Dioxide Abatement

#### Submittal deadlines



For forecast-related amendments, please submit the amendment by the 25<sup>th</sup> of the month following a forecast. Submit other revenue and cash amendments by the 25<sup>th</sup> of the month to ensure approval prior to the AFRS cutoff. Please see Section 2.6 for information on the proper transaction codes and entries to use for these adjustments.

#### 3.4 Amend cash allotments as needed

Submit cash allotment amendments when forecasts or other assumptions for cash patterns significantly change

Because cash allotments are a primary source of information for the state's cash management needs, agencies should submit cash allotment amendments whenever assumptions for cash receipts and disbursements change significantly. The estimated cash receipts by revenue source code should tie to the official forecast for those agencies that report General Fund revenue to OFM or directly to the Economic and Revenue Forecast Council. Cash receipt amendments are required whenever revisions to the forecast are made.

Please see Sections 2.7 and 2.8 for more information on the proper transaction codes and entries to use for these adjustments. Also see the allotment amendment checklist at the end of this chapter.

### 3.5 Unanticipated receipts

OFM must give approval before unanticipated receipts can be used

Agencies sometimes receive federal or private/local funds for a specific purpose that was not anticipated in the enacted budget. The Governor is authorized to grant agencies expenditure authority for these funds under certain conditions. Agencies may not incur expenditures for any unanticipated receipt until they have received OFM approval to do so. An agency may not make an expenditure or obligation in excess of the actual funds received, or for a purpose different from the one for which it was received.

What kinds of items need to be approved by OFM?

Agencies must submit an unanticipated receipt request to OFM for approval to use any federal or private/local funds received by an appropriated account that have not been appropriated by the Legislature.

If an agency has received an advance payment during the 2001-03 Biennium and a portion of this amount can be carried over to 2003-05, the agency must submit an unanticipated receipt request, unless the carry-forward amount has been included in the enacted 2003-05 biennial budget. The amount of the advance payment carried forward must show as estimated revenue in 2003-05.

This section does not apply to nonappropriated funds.

Contact OFM and legislative analysts when unanticipated receipts are received during legislative session During legislative session, it is assumed that unanticipated grants or other outside funds will be included in the supplemental budget rather than processed as unanticipated receipts. Agencies should contact their OFM budget analyst if the timing of these receipts makes inclusion in the supplemental budget impossible.

Due dates for unanticipated receipt amendments

Unanticipated receipt amendments and the accompanying Form B20-1 are due at least ten days prior to the commitment of any funds and at least 15 days prior to AFRS fiscal month cut-off date to be included in that month's transactions.

Please plan ahead legislative and OFM review takes time. All unanticipated receipt requests must be held for ten calendar days before OFM approval to allow an opportunity for legislative comment. Please note that the 10-day waiting period begins when OFM has received the B20-1 from the agency and submitted it to the Legislature. Release of the allotment packet does not initiate the 10-day period.

Agencies may not incur expenditures prior to OFM approval and should plan carefully to allow time for this review before any spending is planned. **Requests should be sent at least 15 days prior** 

to the AFRS cutoff to ensure that the transaction is recorded in the proper fiscal month. If the AFRS cutoff occurs during the tenday waiting period and the monthly transactions become retroactive, OFM will need to return the packet to the agency for correction.

#### Submittal requirements



- The agency must submit a request Form B20-1 to provide a description of the source of funding, the purpose of the grant or contract, and why the expenditure is consistent with legislative and executive intent.
- The agency should also include a copy of the grant award or other contract documentation available.
- The agency must also submit an allotment amendment to indicate the proposed expenditure plan for the funds. Use a U packet type for the operating allotment amendment. Use a C packet type for capital unanticipated receipt allotment amendment.

One original and four copies of the completed B20-1 form are to be submitted to OFM Budget Division, Operations--Allotments (Mail Stop 43113) at the same time that the allotment amendment request is released from APS/TAPS. Supporting documentation, such as grant award documents, agreements, or detailed descriptions of the grant, must be submitted along with the B20-1.

Use allowable appropriation codes for unanticipated receipts

Use these appropriation codes for unanticipated receipts.

#### **Unanticipated Receipt Appropriations**



Operating—Federal 700-940, 7A0-8Z0 Operating—Private/Local 9A0-9Z0, ZA0-ZZ0

Capital—Federal V10-W90
Capital—Private/Local X10-Y90

Use the original code when subsequent unanticipated receipts are from the same source and for the same purpose. The third digit is always zero.

# Instructions for completing the B20-1



This form is available electronically on the OFM Web site. An example is also found in Appendix A-3.

- **Allotment Packet Number:** Indicate the specific packet number (U### or C###) assigned to the data submittal.
- Purpose of grant or contract and description of how funds will be used: Clearly describe the reason for the grant and the specific activities that will be initiated with the new funding.

- **Source Description:** Indicate the exact source of the funding. For example: U.S. Department of Health and Human Services, Public Health Administration.
- Federal Domestic Assistance Catalog Number and Title: Use if funding is federal only.
- **Budget Impact Summary:** Indicate the total unanticipated receipt amount expected to be spent in the current biennium, separated into allotted and unallotted status. The total dollars entered here must agree with the data entered in the APS/TAPS unanticipated receipt packet submitted to OFM.

If any portion of the unanticipated receipt may be substituted for presently allotted state funds, the amount of the substitution should be shown in the right hand column. This amount should match the state funds placed into reserve in the same allotment packet as the unanticipated receipt.

In cases where the grant award crosses biennial lines, record only that portion that applies to 2003-05 and reference the excess in the "Purpose of Grant" section of the form. If available for expenditure, this excess funding must be incorporated into the 2005-07 budget.

- Additional FTEs: Indicate the average annual FTEs added by the unanticipated receipt. Staff months or biennial totals are not to be used. For example: If Fiscal Year 2004 has 10 FTEs and Fiscal Year 2005 has 12 FTEs, the B20-1 should show 11 FTEs (10 plus 12, divided by 2).
- Analysis: Complete all four questions in the analysis section.

State funds must be placed in reserve if unanticipated receipt can substitute



Whenever an unanticipated receipt can be substituted for state funds, those state funds must be placed in reserve in the unanticipated receipt allotment packet, and the unanticipated receipt dollars used instead.

Question number 1 on the Form B20-1 asks whether the federal (or other) funds received can be substituted for presently allotted funds. Agencies must provide specific justification whenever the "no" box is checked in response to this question. Federal or other grantors frequently stipulate that grant funds cannot be used in place of state funding. The documentation of this requirement should be in the form of specific language or a legal citation that prohibits the supplanting of state funds.

Revenue allotment must equal expenditure allotment for expenditure-driven grants



In the case of expenditure-driven grants or contracts where the state receives revenue based upon the expenditures incurred against the grant or contract total, revenues must be equal to total expenditures as a matter of state law. When expenditures are incurred that cannot be billed to the grant or contract, they are to be charged against other appropriations.

3.5a	Checklist for unanticipated receipts submittals
	Provide detailed description on Form B20-1 for unanticipated receipt requests.
	Grant award or other contract documentation must be included with the Form B20-1.
	Ensure that the unanticipated receipt packet (Form B20-1, grant or contract award information, and APS/TAPS data in a U or C packet) is received by OFM at least 10 days prior to the commitment of funds to allow for legislative review. Send original and four copies of the entire package to OFM Allotment Control - Mail Stop 43113.
	Match information on the Form B20-1 for unanticipated receipts to the allotment data submittal for unanticipated receipts.
	Ensure that federal and private/local expenditures are equal to the federal and private/local revenue estimates.
	Ensure that no spending is made from the unanticipated receipts until OFM approves the allotment packet.
	Do not allot retroactive data in operating packets (U packets). Retroactivity is allowed for capital packets provided expenditures do not cross back to the previous fiscal year.
	During legislative session, it is assumed that unanticipated grants or other outside funds will be included in the supplemental budget rather than processed as unanticipated receipts. Agencies should contact their OFM budget analyst if the timing of these receipts makes inclusion in the supplemental budget impossible.
	Corresponding cash allotments should also be amended.

### 3.6 Allotment amendments for legislative budget changes

Supplemental budgets are the most common legislative budget change

When an agency's budget is changed in a supplemental budget, the agency must submit an allotment amendment to reflect those changes.

- Use Packet type L600 series for 2004 supplemental budget changes.
- Use Packet type L700 series for 2005 supplemental budget changes.

OFM will issue separate instructions for these allotments after a supplemental budget has been enacted.

#### 3.7 Allotment amendments for allocations

Instructions for these allotment amendments will be sent separately

For various reasons, the Governor may authorize allocations that increase or decrease agency spending authority. Some examples include Emergency Fund allocations, retrospective rate refund allocations, legislated compensation allocations, etc.

In the case of these and other allocations, OFM will distribute separate written instructions as appropriate.

### 3.8 Savings Incentive Program

## **About the Savings Incentive Program**

The Savings Incentive Program was established in 1997 as a means of encouraging agency efficiency and providing another ongoing source of funding for school construction projects.

In 2003-05, unspent General Fund-State (GF-S) appropriations will be allocated to either the Education Savings Account or the Savings Incentive Account.

#### Savings transferred to the Education Savings Account

Savings transferred to the appropriated Education Savings Account for use by the State Board of Education include:

- Unspent GF-S appropriations for caseload and enrollment in entitlement programs;
- Unspent GF-S appropriations for enrollments in state institutions of higher education;
- Unspent GF-S proviso appropriations, if the agency did not achieve the purpose of the condition or limitation;
- Unspent debt service appropriations;
- Unspent appropriations for state retirement system obligations;
- One-half of any other unspent GF-S appropriations in agency budgets.

Savings transferred to the Savings Incentive Account for use by agencies

Savings transferred to the Savings Incentive Account, for use by each agency demonstrating unspent GF-S appropriations include one-half of the unspent GF-S appropriations not itemized above.

## Steps in the allocation process

At the close of OFM's Phase II accounting adjustments, OFM will begin determining the amounts of each agency's GF-S reversions and how they fall into the categories listed above. OFM will review the initial division of reversions with legislative fiscal staff to ensure agreement on their categorization. Reversion estimates will be finalized after the close of the auditing phase in late November.

# Agencies will receive separate allotment instructions



The Savings Incentive Account is nonappropriated but is subject to allotment procedures. At the point that the savings incentive amounts are final, OFM will issue allotment instructions and the amount available to each GF-S agency from the Savings Incentive Account. Agencies submit A600 packet allotments when expenditures from the Savings Incentive Account are planned.

Per RCW 43.79.460, use of this funding is limited to one-time expenditures to improve the quality, efficiency and effectiveness of services to the customers of the state. These activities may include employee training, employee incentives, technology improvements, new work processes, or performance measurement.

#### 3.9 General checklist for allotment amendments

accurate before submitting to OFM. (See additional checklist in Section 3.5a for unanticipated receipts requirements.) ☐ Did you use the appropriate packet type? Does the allotment reflect legislative intent? Does the allotment correspond to the appropriation bill provisos? Are you submitting the related cash allotment amendments if submitting revenue or expenditure amendments? Does the total of allotted, unallotted, and reserve for each appropriation match the OFM Appropriation Schedule (except for nonappropriated amounts)? Does the total appropriation established (transaction S1 for APS and 700 for TAPS) equal the totals in allotted, unallotted, and reserve for each appropriation? (For APS users, the total S1 entry for each appropriation should be equal to the total D1+ and D1- entries plus amounts in unallotted and reserve. For TAPS users, the total 700 entries for each appropriation should be equal to the total 702 and 704 entries plus amounts in unallotted and reserve.) Have you prepared a narrative explanation for the amendment? ☐ Did you allot all budgeted revenues collected by your agency, regardless of which agency spends the revenue? ☐ Do federal and private/local revenues match expenditures? Do Object T Intra-agency Transfers net to zero at the agency level? Note: This may not be possible if one side of the transfer is in a non-budget/non-allotted fund.

Here is a general checklist to review to help ensure your allotment amendment is complete and

☐ Do not allot Object F, Cost of Goods Sold.



#### Chapter 4

### **Performance Measures**

### 4.1 Performance measures are key budget assumptions

Performance estimates are one expression of the assumptions of the budget

Allotments show the expected timing and uses of the agency budget and the assumptions for key budget drivers. Performance measure estimates show expected outputs and outcomes related to that budget plan. As the agency develops its spending plan for the enacted budget, it is important to also confirm the planned levels of efforts and accomplishments.

## Performance measures tracking

Tracking actual performance measures against estimates provides benefits similar to those in tracking actual expenditures against estimates:

- Helps agencies identify successful strategies.
- Helps to identify which activities are not meeting goals and helps agencies decide how to intervene to solve problems.
- Helps improve the assumptions upon which budgets, spending plans, performance targets and other operating decisions are based.

### 4.2 Performance measures in budget development

The 2003-05 budget development effort looked at statewide results and indicators

The approach used by OFM in developing the 2003-05 budget sought to use performance information in a slightly different way than in the past. Rather than focusing entirely on individual agency performance measures tied to agency strategic plan goals and budget levels, the process identified 11 statewide results and related high-level performance indicators. We then attempted to look at the activities of government and evaluate how effectively those activities contributed to the statewide results.

The results areas and performance indicators used are shown below.

Statewide Results	High-Level Indicators
	(Note: these will be refined)
Improve student achievement in elementary, middle and high schools	<ul> <li>Reduced gaps in student achievement between ethnic and income groups</li> <li>Improved test scores</li> <li>Increased high school graduation rate</li> </ul>
2. Improve the quality and productivity of our workforce	<ul> <li>Skills and abilities required by employers</li> <li>Increased employment rate</li> <li>High earnings level</li> </ul>
3. Improve the value of a state college or university education	<ul> <li>Increased percentage of adults completing certificates/degrees</li> <li>Increased student/graduate satisfaction</li> <li>Increased number of students prepared to meet workforce needs</li> </ul>
4. Improve the health of Washington citizens	<ul> <li>Epidemiological (population-based) measures</li> <li>Individual self-assessment of health</li> <li>Access</li> </ul>
5. Improve the security of Washington's vulnerable children and adults	<ul> <li>Increased percentage of vulnerable children/adults living above the poverty line</li> <li>Increased percentage of vulnerable children/adults living in their own homes or community settings</li> <li>Increased percentage of vulnerable children/adults attaining self-sufficiency</li> </ul>
6. Improve the economic vitality of businesses and individuals	<ul> <li>People have jobs</li> <li>Individuals will be prosperous</li> <li>Businesses will be profitable</li> </ul>
7. Improve statewide mobility of people, goods, information and energy	<ul> <li>System sufficient to balance capacity and demand</li> <li>Minimal delay and downtime</li> <li>Fair and reasonable prices to consumers/ travelers</li> </ul>
8. Improve the safety of people and property	<ul> <li>Reduction of preventable injury and loss from crime</li> <li>Increased emergency response readiness</li> <li>Increased citizen confidence of safety in communities</li> </ul>
9. Improve the quality of Washington's natural resources	<ul> <li>Percentage of days with healthy air</li> <li>Percentage of water bodies/sources that meet water quality standards</li> <li>Rate of land converted to urban areas</li> <li>Improved trends in fish stocks and wildlife populations</li> </ul>
10. Improve cultural and recreational opportunities throughout the state	<ul> <li>Increased availability/access</li> <li>Increased participation</li> <li>Increased satisfaction</li> </ul>
11. Improve the ability of state government to achieve its results.	

OFM would like to improve the performance data available for 2005-07 budget development

Looking at activity contributions to enterprise-wide goals was a very helpful framework for budget development. OFM intends to continue with this approach for the 2005-07 budget development process. OFM will work with agencies over the next year to develop and refine performance measures to better serve that purpose. We will send information to agencies later this year on our proposed approach and timeline for this.

# 4.3 Update performance measures to support budget evaluation and development

These instructions focus on budget relevant performance measures

While many agencies develop and monitor performance measures for a number of purposes, these instructions focus on the performance measurements most relevant to budget evaluation and performance. These measures include key outcome, output and efficiency measures for agency activities, especially those that help explain the contribution these activities make to statewide strategies.

Link performance measures to statewide results



In the past we have asked agencies to focus on the links between performance measures and agency goals. While this is an important linkage for agency strategic plans, we have also found the linkage between activity performance measures and statewide results goals very useful for budget development and budget implementation assessment. This year we ask that agencies use the footnote field in PMTES to indicate which of the 11 statewide results each performance measure contributes to most.

## Review published performance measures

Review the published agency performance measures published in Governor Locke's budget for your agency. Obtain concurrence from your budget analyst to delete any performance measures that you feel are not relevant for statewide budget-related reporting, or to add new or revised measures.

The performance measures published in Governor Locke's budget are contained in Governor Locke's 2003-05 Budget Recommendation Summaries. The link to performance measures is at the top of each agency's Recommendation Summary page. Copies of this information for your agency can also be obtained from Laurie Lien.

# Update performance measures to reflect final budget funding levels

Agencies must update the estimated performance measures reported to and published by OFM to reflect the funding levels of the final adopted 2003-05 budget and any pertinent policy legislation that adds, removes, or changes responsibilities.

## Link measures to enterprise-wide results



For each published performance measure, agencies should identify the statewide critical result listed in Section 4.2 to which the activity most contributes. At the start of the Performance Measure Description footnote, type the appropriate result as listed below. Please be sure to include the SW number as this will assist us in reporting.

- SW1 Improve student achievement in elementary, middle and high schools
- SW2 Improve the quality and productivity of our workforce
- SW3 Improve the value of a state college or university education
- SW4 Improve the health of Washington citizens
- SW5 Improve the security of Washington's vulnerable children and adults
- SW6 Improve the economic vitality of businesses and individuals
- SW7 Improve statewide mobility of people, goods, information and energy
- SW8 Improve the safety of people and property
- SW9 Improve the quality of Washington's natural resources
- SW10 Improve cultural and recreational opportunities throughout the state
- SW11 Improve the ability of state government to achieve its results.

# Submit performance measure estimates by August 22

The estimates for the full biennium should be submitted to OFM no later than August 22, 2003.

### 4.4 How to update performance measure estimates

Make adjustments to the measures in the PMTES system

Use the BASS Performance Measure Tracking and Estimate System (PMTES) to enter agreed-upon performance measure changes for the 2003-05 Biennium, to edit performance measure descriptions, to establish periodic estimates for the measures, and to report to OFM quarterly, as applicable, on the actual data for each measure.

Instructions for PMTES are available on-line in the system, or in hard-copy form from Art Overman, OFM Accounting Division at (360) 725-5271.

Remember to submit 8<sup>th</sup> quarter data for the current biennium by July 31, 2003

Please continue reporting on performance measures established for the 2001-03 Biennium. Continue to update them with 8<sup>th</sup> quarter data, which are due to be entered by July 31, 2003.

### 4.5 Establishing and tracking performance measures in PMTES

How to establish or activate measures in PMTES for tracking

Performance measures in PMTES must either be established or activated in PMTES, depending on how it was originally submitted to OFM.

If measure was submitted through PMTES

If a published performance measure was originally submitted by the agency to OFM on a B-11 form generated through PMTES, then go to that performance measure's description in PMTES and ensure that the following fields are set to Yes:

- OFM Measure
- Active Measure
- Tracking Measure

If measure was not submitted through PMTES

If the performance measure was published in the Governor's Recommendation Summary document, but was not submitted on a B-11 form generated through PMTES, then the performance measure description needs to be entered into PMTES, and linked to the statewide critical result. Set field settings as indicated above.

Double-check the performance measure description

Double-check the performance measure descriptions for retained measures to ensure that they match the text published in the internet version of the Governor's Recommendation Summary document. The agency's OFM budget assistant should agree to any alternative language.

How to establish measures in PMTES that will not be reported to OFM

In some cases, agencies are interested in tracking certain measures in PMTES that are reported internally within the agency, but not reported to OFM. To ensure that a measure is not submitted to OFM, please go to that performance measure's description in PMTES and ensure that the following fields are set to No:

• OFM Measure

Then set the following fields to Yes:

- Active Measure
- Tracking Measure

# Establish performance measure estimates at the appropriate cycle

Ensure that the estimates for performance measures correspond to the measurement cycle indicated in the performance measure description section of PMTES. Options include the following:

Quarterly: Every quarter

Semiannual: Every other quarter

Annual: Any two quarters, usually Q1/Q5, Q2/Q6, Q3/Q7, or

Q4/Q8

Biennial: Any single quarter

Ensure that the quarterly estimates are consistent (though not necessarily identical) with the annual estimates published in the Governor's Recommendation Summary document, or with the new amount(s) agreed to by your OFM budget assistant.

# Enter data during the quarter in which it is available

The system assumes that actual data will be entered during the quarter when it is available. For example, if data for a given measure will be collected only once per year, the estimate should be put into the quarter in which the data are available to be reported. If there is a time lag between data collection and data availability to the agency, the agency should enter estimated and actual performance measure amounts in the quarter when data are available to the agency.

### Approaches to lagged measures

- Enter estimates and final-version actuals in the quarter when data are actually available; indicate in "Date of Last Measure" field the date when data were last collected. This is a good approach for lags of one to two quarters.
- Enter estimates in the quarter when services are actually provided, enter preliminary actuals in the quarter when services are actually provided; indicate in the "Comments" field that the data are

preliminary. When final data are available, revise the actuals, and indicate in the "Comments" field that data are final and the date when they were revised. This is a good approach for processes involving decentralized data collection where decision makers desire quarterly data. Preliminary actuals may or may not include a constantly updated correction factor. If included, such a correction should be disclosed in the footnote or comment field

- Create a new performance measure that reflects preliminary data at hand only for the reporting quarter. Define the measure clearly in the description and/or footnote. Do not change the actuals retrospectively.
- Report performance measures in terms of ranges, instead of precise numbers. If actuals, change but are within the range, then no change to the actuals is needed. The range could be identified in the measure description or in a footnote.
- Correct the previous quarters' data in subsequent quarters. Disclose the correction factor in the "Comments" field.
- Choose a different performance measure that yields final actuals close to the date when products and services were delivered.
- Consider upgrading data collection and reporting systems and procedures to shorten the time between delivery of products and services and the reporting of final, complete performance measure actuals.

# Please check for spelling and formatting

While the PMTES includes a spell-check function in the comments portion of the system, agencies should carefully check other aspects of each data entry for spelling. Agencies should also check to make sure important formatting such as dollar signs, percentage signs, and commas have been included where appropriate.

# When are tracking measures due?

Due Date	Activity
July 31, 2003	Enter and release 8 <sup>th</sup> quarter actuals for the 2001-03 Biennium. Only those agencies with 8 <sup>th</sup> quarter estimates need to enter 8 <sup>th</sup> quarter actuals.
August 22, 2003	Enter and release tracking measure descriptions and periodic estimates for the 2003-05 Biennium. No actuals due at this time.
October 31, 2003 January 31, 2004 April 30, 2004 July 31, 2004 October 31, 2004 January 31, 2005 April 30, 2005 July 31, 2005	Enter and release quarterly actuals, as applicable, for the remainder of the 2003-05 Biennium.

# STATE OF THE STATE

#### Chapter 5

### **Capital Allotments**

### 5.1 Capital allotment basics

## What are capital projects?

Capital projects include:

- The acquisition of real property.
- The pre-design, design and construction of new facilities.
- Additions, repairs, renovations, and improvements to existing facilities.
- The acquisition of building equipment.
- Grants and loans to local government or community organizations.

The allotment process helps provide a clear picture of project activity

The initial capital allotments provide a baseline understanding of how the legislative budget will be implemented and what will be accomplished as a result. Allotments for capital projects are also used for project monitoring, identification, and the tracking of work elements.

OFM must approve allotments before expenditures may be incurred RCW 43.88.110(7) and the capital budget appropriation legislation provide that an agency may incur no expenditure nor enter into any obligation for a major capital project until they have received OFM approval for the allotment of those funds.

The initial allotment defines the initial plan after the budget is enacted

The initial capital allotments present an agency's detailed plan for monthly revenue and expenditures based on the terms, limits, conditions and original assumptions in the legislative appropriations and budgets. The initial allotments also present the related plan of cash receipts and disbursements. The initial allotments should provide these estimates for every month of the biennium.

The initial capital allotments also include the following information:

- Update Capital FTE information in the Capital Budget System (CBS) in BASS
- Updated Capital Project Summaries (C2) and Cost Estimates (C-100)
- Reappropriations

Instructions for the initial allotments are described in Section 5.2. Help on using the Capital Budget System is available on line and for fortress users.

Capital allotments are amended for changes to the initial plan. . .

Agencies may submit allotment amendments for changes to the initial plan at any time during the biennium for:

- Capital unanticipated receipts
- Transfers
- Project phases
- Projects originally placed in unallotted or reserve status in the initial allotment
- Cash disbursement revisions
- Revised reappropriation amounts as determined by OFM
- Updates to capital-funded staffing levels.

Instructions for amendments for minor works and omnibus appropriations are included in this chapter.

...or to submit the spending plan for a new phase of a major project

Capital projects, particularly large ones, are generally allotted by project phase as a means of tracking progress. Entering the design phase of a project can be treated as a separate decision point from entering the construction phase. The allotment of funds for each of these phases as separate transactions provides a clear picture of capital project activity. See Chapter 6 for additional information on special allotment requirements for major project phases.

Allotments must match dollars and codes in the appropriation schedule Total allotments must match both the dollar amounts and appropriation codes shown in the OFM Appropriation Schedule, which lists the appropriations available to agencies. This document is distributed within a few weeks after the Governor signs the omnibus operating, transportation, and capital budget bills and any other legislation with appropriations.

Use allotted, unallotted and/or reserve status as appropriate Agency allotments must distribute the total appropriation over the three allotment categories: allotted, unallotted and reserve. Funds placed in the "allotted" category represent the anticipated expenditures by month during the current biennium. There should be a corresponding cash disbursement schedule that appropriately lags the allotted expenditure schedule. Funds placed in the "unallotted" category represent obligations that are not expected to be expended during the current biennium. Funds that will not be obligated in any way should be placed in the "reserve" category.

Allotments for omnibus and grant appropriations

Allotments for omnibus and grant appropriations would typically have one allotment plan for the entire biennium. The allotted amounts should equal the amount the agency anticipates spending in the biennium. The sum of the allotted and unallotted amounts should

equal the agency's contractual or other obligations. These obligations may extend beyond the current biennium. Allotments can be modified to move funds into the allotted or unallotted categories during the biennium to reflect new contracts or obligations. Any funds the agency does not anticipate obligating should be placed in the reserve category.

### Allotments for appropriated projects

Allotments for specifically appropriated projects follow a similar procedure. The agency's initial allotment should have funds entered in the allotted and unallotted categories for those funds that will be expended during the current biennium or for which the agency has entered into a contractual obligation. OFM would expect initial allotment packages for these projects to show the majority of the appropriation in the reserve category until the agency enters into consultant or construction contracts.

## Use a C packet indicator for all capital allotments

Use the C packet number for all capital allotment elements including: expenditures, unanticipated receipts, cash receipts and disbursements, and related revenue estimates. Initial revenue estimates for capital may be included in the B001 packet.

Use the appropriate transaction code for each allotment component

The TAPS and APS systems require users to enter the proper transaction code for each allotment transaction to ensure the data is properly reflected in AFRS. These transaction codes are provided in Section 2.2. Please refer to the individual preparation systems' documentation for more detailed instructions and sample forms.

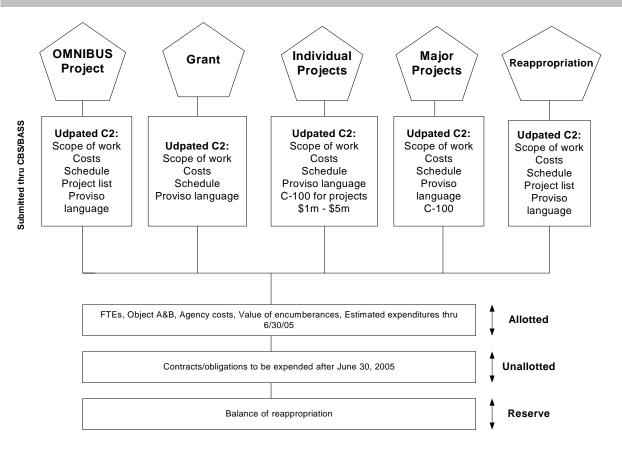
### Update the C2 form in BASS

Agencies must update the project Capital Project Summary (C2 form) in CBS/BASS with the initial allotment to ensure the project information reflects the most current spending plan information.

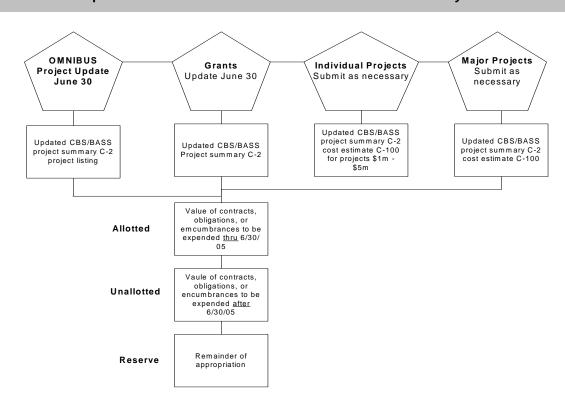
Unexpended funds can be transferred to other projects

The capital budget bill allows for the transfer of unexpended funds from one project to another within certain situations as described in the capital appropriation legislation. The agency must submit a request to OFM to make such a transfer. If approved, OFM will transfer the funds from the completed project to another project after the agency submits a subsequent allotment for the transferred funds. Transfers in excess of \$250,000 require notification of the legislative fiscal committees and will not take effect for 30 days.

### **Initial Capital Appropriation Allotments - Submittal Summary**



#### Capital Allotment Amendments - Submittal Summary



### 5.2 X Ger

### General requirements for the initial allotment submittal

When are they due?



Initial capital allotments are due at the same time as the agency's initial operating allotment. The initial capital allotment packet is due with the agency's operating allotment on either July 28, August 4 or August 11, 2003 as specified in Appendix A-1.

When will they be approved and available in AFRS?

OFM will review the allotments and approve the allotments in its Allotment Review System as soon as possible within the statutory deadline of 45 days. We encourage agencies to use the checklist in Section 5.7 to minimize technical errors that can hold up the approval process. The allotments are transferred to AFRS after approval. Once all agency allotments are approved, OFM will send each agency an allotment status report that reflects OFM approval of the initial packet.

Establish appropriation entries in the APS or TAPS before entering allotments

Establishing appropriation entries – (Transaction Code TAPS=700, APS=S1)

The agency must first establish allotment appropriations to match the dollar amounts contained in the OFM Appropriation Schedule. All appropriated and nonappropriated funds must first be established in unallotted status before allotment or placement in reserve. If the agency fails to establish the total amount authorized, OFM will require the allotment to be corrected.

Prepare expenditure, cash and revenue allotments next

See Section 2.3 for more detailed instructions on establishing appropriation entries. See Section 5.3 for more instructions on establishing expenditure, revenue and cash allotments.

Agencies must submit an allotment package for reappropriated amounts



Agencies must submit an allotment package for reappropriated amounts that shows related expenditures and unallotted amounts over the 24 months of the new biennium. Agencies must also update their C2 forms and C-100 forms in CBS/BASS as necessary.

Actual expenditures from reappropriations will be limited to the unexpended balances remaining after all accounting entries for the current biennium are recorded and the accounts reconciled. Since the ending balances generally will not be known until October, the agency's biennial ending balance for the appropriations should be used as the basis for establishing the reappropriation in the initial allotment. This estimate may be no larger than the amount shown on the capital Appropriation Schedule. Any difference between the Appropriation

Schedule and the amount allotted should be placed in unallotted status.

Agencies may submit adjustments after final reappropriations are known OFM will adjust reappropriation amounts using the audited accounting actuals for the prior biennium to ensure that the total project appropriation is not exceeded. C-numbered packets adjusting the allotment to the new reappropriation may be submitted as soon as the final reappropriation amounts are known.

Submit updated capitalfunded FTE information in the Capital Budget System

Agencies and institutions must update their capital-funded FTE information in the Capital Budget System (CBS)/BASS system upon passage of the capital appropriation legislation. The required information includes job classification and range for each capital-funded FTE, as well as funding codes and amounts that support these FTEs. The funding amounts should include salary and benefits only for the capital-funded FTEs (do not include travel, training, or administrative indirect charges).

Include these and other staff related costs in the allotment Agencies that charge staff FTEs and other administrative costs to capital appropriations should allot these FTEs and costs as part of each capital packet, with particular attention given to the correct object coding (salaries, benefits, goods and services, etc.).

Update this information each June 30

Agencies and institutions shall update their capital-funded FTEs each June 30 through CBS/BASS to reflect actual staffing levels anticipated during the 2003-05 Biennium. Agencies who administer statewide grant programs through capital appropriations should develop and update a listing of grantees. To the extent possible, agencies are encouraged to submit this information through updated C2 forms in CBS/BASS.

Submit an updated omnibus appropriations project list with the allotments

The statewide minor works and omnibus appropriations require agencies to submit and maintain a detailed subproject list with OFM. Requests for allotments of omnibus appropriations must include a list of subprojects conforming to the scope, intent and amount of the appropriation in the enacted capital budget bill. The subproject list should be in priority order.

Use the C2 form in the Capital Budget System for Project updates



After the Governor has signed the capital appropriations bill, agencies must update their C2 forms in CBS/BASS to ensure the project scope of work, schedule, and cost information is consistent with the enacted budget. The updates must include the required subproject list information and legislative proviso and other intent language. These updated C2 forms are required for initial allotment approval.

Revised cost estimates are required for projects over \$1 million Projects over \$1 million must include revised C-100 cost estimates returned electronically in the approved format to OFM with the allotment. Templates of the C-100 are available on OFM's Web page.

# Restrictions on list additions or substitutions

There may be instances where an agency needs to add or substitute projects for an omnibus appropriation based on circumstances or events unknown at the time of the initial budget request or allotment. For flexibility, additional projects may be listed on the initial submittal list; however, the total cost of all projects listed may not exceed 120 percent of the appropriation. Allotments cannot be approved without these project lists.

OFM recognizes that flexibility is required but will monitor substitutions carefully. The following criteria guide agencies when substitutions are considered:

- Determine if there is adequate funding to support a newly identified project within the minor works or omnibus appropriation.
- For agencies with an infrastructure savings appropriation, investigate the possibility of transferring excess funds from completed major projects into the infrastructure account to fund the newly identified project.
- Determine if there is sufficient emergency or unidentified repairs and improvements funding available from which to fund the newly identified project.
- Review the rest of the agency's capital budget to determine if the new project falls within the scope of appropriation language of another specific project.

Even if there are other funds that can be used to complete the necessary project, the agency must not make a project substitution without prior approval by OFM. OFM should be notified in advance of the substitution. Justification for the substitution should be explained in the agency's annual report.

Updated Capital Project Summaries (C2s) are due each June 30; these meet the capital project monitoring requirement Agencies must submit updated Capital Project Summary (C2) reports to OFM each June 30. These reports must identify changes in the project lists and provide an appropriate explanation for these changes. These reports will serve as the project status reports required by statute and OFM will share these reports with legislative budget committee staff.

### 5.3 General guide for developing allotments

# General guidelines for developing expenditure allotments

Capital allotments should be based on the agency's best estimate of monthly expenditures and obligations during the current biennium. Agencies should not request allotment of funds that cannot be obligated or expended within the current biennium.

The following guidelines can assist agencies in completing their allotment schedules but are no substitute for rational planning:

- Emergency appropriations should be placed in allotment reserve until needed.
- Predesign appropriations can be straight-lined from the estimated start date to the completion date.
- Omnibus minor works allotments should approximate the spending plan for the sub-projects within the appropriation.
- Grant allotments should approximate planned expenditures and obligations for the individual grants and loans. The sum placed in allotted and unallotted status should equal the value of the agency's anticipated obligations. See Section 5.1 for more guidance on allotment status.
- Individual appropriated projects should approximate the project schedule as provided in the agency's capital budget request and the updated form C2.
- Construction spending can be approximated as 25 percent spent over the first one-third of the construction period; 50 percent spent during the second one-third of the construction period and 25 percent spent during the last one-third of the construction period.

When can capital construction funds pay for staff or administrative expenses?

Capital construction funds (whether funded with bond proceeds, revenues deriving from fees, or other cash) are generally dedicated to the acquisition, construction, and renovation of fixed capital assets and shall not be used to subsidize operating budget costs. However, costs incurred by agencies in the direct development and administration of capital projects can be considered part of the project cost. Other costs, such as managing an agency's capital facilities or creating a capital budget, shall be charged to the agency's operating budget.

See the Capital Plan Instructions for further information regarding allowed agency costs in capital appropriations. These instructions

identify when capital funds can support administrative and staffing expenses. They apply to non-highway funds.

## Matching funds requirements

Projects that require a matching share from non-state (including federal) sources are subject to the provisions of RCW 43.88.150. This statute requires the expenditure of any matching funds to be proportional to state funds. For example, if an appropriation for \$100,000 requires an additional local share of \$200,000, then for each state dollar spent, two dollars in non-state funds must be spent at the same time. This statute prohibits an agency from spending the state appropriation prior to spending other funds.

## Preparing financial allotment transactions

## Preparing allotment charges (expenditure) entries - (Transaction Code TAPS=702/703, APS=D1)

The estimate of allotment charges represents the agency's best estimate as to how and when expenditures (disbursements, accruals, and loan distributions) will be incurred within the limits of the appropriation. Provide estimates of monthly expenditures by object and account. See Section 2.5 for more detailed instructions.

Agency project management and administrative costs, including FTEs, charged to capital appropriations must be allotted with the initial capital allotment.

# Preparing cash disbursement entries — (Transaction Code TAPS=906, APS=DC)

OFM and the State Treasurer use cash disbursement and receipt allotments for statewide cash management. It is important that these allotments are the best possible estimates of the timing of cash flows. During tight budget times, cash management becomes a critical function. Accurate allotments can prevent unnecessary and costly cash management practices.

Allotments for capital projects must include cash disbursement information by appropriation and fund.

See Section 2.7 for more detailed instructions.

### Preparing cash receipts entries – (Transaction Code TAPS=905, APS=RD)

See Section 2.8 for more detailed instructions.

Preparing estimated revenue entries – (Transaction Code TAPS=733, APS=RC)

See Section 2.6 for more detailed instructions.

OFM must give approval before unanticipated receipts can be used



Agencies sometimes receive federal or local funds for a specific purpose that was not anticipated in the enacted budget. The Governor is authorized to grant agencies expenditure authority for these funds. Agencies may not incur expenditures for any unanticipated receipt until they have received OFM approval to do so. An agency may not make an expenditure or obligation in excess of the actual funds received, or for a purpose different from the one for which it was received.

Unanticipated receipts apply to appropriated funds only.

The unanticipated receipt process applies to appropriated funds only. As is the case with operating funds, agencies shall not expend funds until the unanticipated receipt has been reviewed and approved by OFM. See Section 3.5 for allowable unanticipated capital appropriation codes.

### 5.4 Cash flow estimates for bond-funded projects

Certain agencies and accounts must complete cash flow estimate form

The Office of the State Treasurer (OST) asks selected agencies to provide information about bond fund cash flow estimates and descriptions of the expected use of bond proceeds. This information is used by OST to prepare sales plans for upcoming state bond sales. The sales plan is also used to prepare allotments for bond retirement principal and interest expenses that are included in their budget. OST will contact the agencies listed below to obtain the necessary information. The forms provided by OST, together with any additional supporting material, should be sent to:

#### Suzanne Coit

Office of the State Treasurer P.O. Box 40200 Olympia, WA 98504-0200

Phone: (360) 902-9028; fax: (360) 902-9045

Agency	Account Code	Account Title
Community, Trade, and		
Economic Development	355	State Taxable Building Construction Account
Department of Ecology	051	State & Local Improv. Rev. Acct (Waste Disp. Fac.)
66	055	State & Local Improv. Rev. Acct (Waste Disp. 1980)
"	072	State & Local Improv. Rev. Acct (Water Supply Fac.)
Dept. of General Admin.	045	State Vehicle Parking Acct (East Plaza garage)
"	350	Capitol Historic District Acct (Leg. Bldg)
Dept. of Transportation	108	Motor Vehicle Account
"	215	Special Category C Account
66	511	Tacoma Narrows Toll Bridge Account
Interagency Committee for		
Outdoor Recreation	070	Outdoor Recreation Account
"	244	Habitat Conservation Account
Transportation Improvement		
Board	144	Transportation Improvement Account
University of Washington	01L	Higher Education Construction Account

### 5.5 Other allotment-related information requirements

Coordinate with
Department of General
Administration on public
works requests

Agencies who work with Engineering and Architectural Services (E&AS) must submit a Public Works Requisition (PWR) to the Department of General Administration prior to or at the same time as the allotment request is submitted to OFM. For additional information on work provided by E&AS or assistance with the preparation of Public Works Requisitions, please contact:

Division of Engineering and Architectural Services Department of General Administration P.O. Box 41012 Olympia, WA 98504-1012 (360) 902-7272

Coordinate the allotment of required arts expenditures with the State Arts Commission

RCW 43.17.200 outlines the procedure for the required purchase of artwork in capital projects. The statute applies solely to appropriations for the original construction of state-owned buildings and — in the case of higher education institutions — renovation costing more than \$200,000.

Agencies should consult with the Washington State Arts Commission regarding the most effective use of the artwork allowance by contacting:

Washington State Arts Commission P.O. Box 42675 Olympia, WA 98504-2675 (360) 753-3860

Coordinate with the Department of Information Services on video telecommunications related plans

No agency may spend any portion of any capital appropriation for video telecommunications equipment, systems, or transmission without first submitting a video telecommunications equipment expenditure plan to the Department of Information Services in compliance with Chapter 43.105 RCW. For additional information, please contact:

Information Technology Oversight Department of Information Services P.O. Box 42445 Olympia, WA 98504-2445

### 5.6 Facility inventory and annual maintenance summary reports

Provide updated facility inventory data to OFM each June 30

All agencies that own or lease property are required to update and report site and facility data annually to OFM. Facility Inventory (FIS) data disks will be distributed by OFM to agencies together with reporting instructions. The FIS reports are due to OFM on June 30 each year.

Provide an updated maintenance summary report to OFM each September 1

The Annual Maintenance Summary Report is required for each agency that has greater than 150,000 square feet of owned space and for each campus/institution that has more than 150,000 square feet of state-owned space. The Annual Maintenance Summary Report and data in the FIS should be consistent. An example of the Annual Maintenance Summary Report is provided in Appendix A-3.

### 5.7 Allotment checklist for capital allotments

Use a C001-899 packet type. Use C900 - C999 only for agency internal capital allotments (APS users only).
Establish appropriations in the appropriate fiscal year in APS or TAPS before allotting by month and object.
Ensure that the total of allotted, unallotted, and reserve for each appropriation matches to the OFM Appropriation Schedule (except for nonappropriated amounts).
When a packet is complete, confirm that the total appropriation established (transaction S1 for APS and 700 for TAPS) is equal to the totals in allotted, unallotted, and reserve for each appropriation. In other words, for APS users, the total S1 entry for each appropriation should be equal to the total D1+ and D1- entries plus amounts in unallotted and reserve. For TAPS users, the total 700 entries for each appropriation should be equal to the total 702 and 704 entries plus amounts in unallotted and reserve.
Enter capital project cash disbursements at the appropriation level, rather than by account.
Allot capital expenditures in the appropriate months throughout the biennium. Capital allotments represent the estimated expendituresnot encumbrances.
Ensure that the initial packet reflects allotments for all authorized spending for both appropriated and nonappropriated allotted accounts. Don't forget newly created accounts, or revenue estimates for new collection requirements.
Ensure that the nonappropriated allotted dollars match legislative assumptions.
Estimate by month on a realistic basis (not divided evenly by 24 months). Spread monthly estimates on historical patterns adjusted for expected changes in new funding.
Do not include encumbrances in operating or capital allotments.
Ensure that federal and local expenditures are equal to the federal and local revenue estimates.
Adjust capital reappropriation allotments to reflect actual balances available once 2001-03 biennial expenditures are final, but not higher than what is legislatively authorized.
Submit updated C2 forms in CBS/BASS with each allotment request.



#### Chapter 6

### **Preparing Allotments for Major Capital Projects**

### 6.1 Allotment requirements for major capital projects

What are major capital projects?

Major capital projects are single-construction effort projects that have a beginning and an end and either cost in excess of \$5 million or have been designated by OFM or the Legislature as having complex technical or program aspects. Agencies receiving appropriations for major projects follow special guidelines for allotment review and project approval. The steps in this process and the information required are designed to help keep projects within the limits and intent of the appropriation.

Major capital projects typically receive appropriations over two or more biennia depending upon the complexity and size of the project. A major project could receive appropriations for predesign, design services, construction and equipment purchases. The phased approach to allotments for major projects is designed to promote better project planning. Ongoing contact with OFM capital budget staff will promote a better understanding of major projects, and will expedite allotment approval.

Submit updated Capital Project Summaries (C2) and cost estimates (C-100) after the budget is enacted

Agencies and institutions must submit updated project scope, schedule, and cost estimates (forms C2 and C-100) based on the enacted budget. The C2 form is updated in CBS/BASS. The C-100 cost estimate template is available on the OFM Web site.

Agencies must submit additional information with allotments for different project phases.

Agencies must submit certain materials with the allotments at each major project phase. A description of these materials along with other special allotment considerations is described below.

 Predesign study allotments Allotment requests for predesign studies, when appropriated through the capital budget, should be submitted as an initial capital allotment package. Supporting information for the allotment request should include a statement about the conceptual understanding of the major capital project. Predesigns paid from nonappropriated funds do not require a capital allotment. Please refer to the OFM Predesign Manual for further guidance.

#### Design services allotments

Submit requests for design services allotments by letter to OFM capital budget staff. The request documents should include an updated C2 and C-100 printouts from the agency's CBS/BASS. The updated project information should reflect the legislative intent of the appropriation.

Design allotments may be submitted after the predesign is approved by OFM and an appropriation for design is available. Allotments for design services may include the following items:

- Acquisition Costs
- Consultant Services
- Project Management, Artwork, and Related Projects

A value engineering study by an independent consultant team is required for each major project during the design phase. The agency must provide OFM with an executive summary of the recommendations that were accepted or rejected and the reasons why.



In completing project design, it is hoped that agencies will consider how the project can meet the objectives of the Governor's Executive Order on Sustainability (Executive Order 02-03).

#### Construction allotments

The structure of construction bids should be consistent across all agencies and institutions, with base bids reflecting a complete and functional project. Identify separately the additive alternates that improve durability or serviceability of the project.

Submit requests for major project construction allotments by letter to OFM capital budget staff. The request documents should include an updated C2 and C-100 printouts from the agency's CBS/BASS. The updated project information should reflect the legislative intent of the appropriation.

Construction allotments may be submitted once design is complete and an appropriation for construction is available. Allotments for construction funds may include the following items:

- Acquisition Costs
- Consultant Services
- Construction Contracts

- Construction Contingency
- Equipment, Artwork, and Other Costs
- Project Management and Related Projects
- Allotments for unfinished or "shell" space

The construction of unfinished or "shell" space within a facility is not approved unless specifically authorized by the capital appropriation bill.

 Unforeseen costs and contingency allotments Reasonable amounts of funds will be allotted for contingencies based on the scope and complexity of the project. As the project proceeds, the amount necessary to cover unforeseen situations is expected to diminish as risk diminishes. Allotment approval for contingency funds is explicit approval to expend those funds only on unforeseen contingencies and not for extra work or additives. Initial distribution will be approximately 3 to 5 percent of the bid for new construction and up to 10 percent of the bid for major remodel and renovation work. If a portion of the contingency remains in reserve, additional allotments of contingency may be made upon written request to OFM.

• Excess funds

Amounts appropriated but deemed unnecessary to complete the scope of a project will not be automatically available to the agency or institution to increase the scope or to buy additional equipment or for other purposes. Excess funds will remain with the project through completion. Excess funds may be made available to address unforeseen problems that arise, meet claims, selectively fund opportunities that reduce or eliminate the need for future projects, transfer to other projects, to the infrastructure account within the agency, or, eventually be lapsed. Excess funds that are lapsed represent savings that will allow other projects to be funded.

When will OFM review and approve these allotments?

OFM is committed to respond to properly justified requests within two weeks from receipt of the supporting information. To expedite this review, please contact OFM staff periodically and discuss progress on projects. Joint communication between agency and OFM staff can alleviate potential issues before they arise.

Major project reports are due December 31 and July 1

Agencies administering a major capital project, or projects specifically identified for this reporting requirement by OFM or the Legislature, must submit a detailed progress status report to OFM and the fiscal committees of the Legislature. The report is due each December 31 and July1. The project report format is available on the OFM Web site.

#### 6.2 Alternative public works contracting

Allotment requirements for alternative public works contracting (RCW 39.10)

Generally, these requirements are tailored for the process of awarding public works contracts in lump-sum awards to the lowest responsive bidder. However, Chapter 39.10 RCW allows for Alternative Public Works Contracting under limited circumstances. Agencies and institutions choosing to utilize either the design-build or general contractor/construction manager (GC/CM) contracting procedures should contact their OFM capital budget assistant prior to the start of design efforts for clarifying allotment instructions.

The following requirements must be met prior to requesting an allotment for alternative public works contracting procedures:

- Provide documentation that adequate public notification and an opportunity for public review and comment was conducted. The documentation should include a summary of the public comments received.
- Provide a copy of the final determination of which contracting procedure will be used. A concise statement of the principal reasons for selecting the preferred alternative construction method shall accompany this determination.

# 6.3 Allotment of furniture, fixtures, and equipment (FFE) appropriations

Submitting an allotment for FFE

Allotment for FFE may be submitted when the project is currently in or has completed the construction phase, and an appropriation is available.

RCW 43.19.534 requires agencies to purchase office furniture from Correctional Industries

All state agencies, including higher education, are required to purchase their office furniture from the Division of Correctional Industries.

Sales tax is not charged to state agencies by Correctional Industries. Contact references for Correctional Industries procurements are:

Sales Manager Contract Administrator
Correctional Industries Office of State Procurement
P.O. Box 41115 P.O. Box 41017
Olympia, WA 98504-1115 Olympia, WA 98504-1017

(360) 753-4648 (360) 902-7400

Contact the state procurement office for state contract purchasing exemption information

As with all mandatory contracts, purchasing goods or services from any other vendor other than through the state contract requires specific written exemption using the best buy process from the Department of General Administration's Office of State Procurement and is subject to audit. Additional information is available from:

Office of State Procurement Department of General Administration P.O. Box 41017 Olympia, WA 98504-1017 (360) 902-7283

# Items OFM reviews prior to approval of FFE allotments

OFM will allot funds for the purchase of FFE upon review of the following:

- A copy of the final architectural/engineering cost estimate for the FFE.
- Certification that the requirements of RCW 43.19.534 have been met. The agency or institution will provide a copy of the approved "Exemption from Correctional Industries State Contract" form from the Department of General Administration if an exception is granted.
- A listing of all FFE to be purchased without competitive bids.
- A listing of all furniture and equipment to be competitively bid.
- An affirmation statement from the agency that the FFE purchases for the project will remain within the appropriation amount, and that all FFE required for start-up and operation of the new facility is included in the FFE purchases.

## A-1 Due Dates for Initial Operating and Capital Allotments

### July 28, 2003

010	Bond Retirement
011	House of Representatives
012	Senate
014	Joint Legislative Audit and Review Committee
015	Legislative Transportation Committee
035	Office of State Actuary
038	Legislative Service Center
040	Statute Law Committee
045	Supreme Court
046	Law Library
048	Court of Appeals
050	Judicial Conduct Commission
055	Office of the Administrator for the Courts
056	Office of Public Defense
076	Special Appropriations
080	Office of Lieutenant Governor
101	Caseload Forecast Council
104	Economic and Revenue Forecast Council
118	Commission on Hispanic Affairs
119	Commission on African-American Affairs
122	Personnel Appeals Board
142	Board of Tax Appeals
144	Municipal Research Council
167	Forensic Investigations Council
205	Board of Pilotage
220	Board of Volunteer Firefighters
228	Traffic Safety Commission
250	Indeterminate Sentence Review Board
302	Home Care Quality Authority
377	Spokane Intercollegiate Research and Technology Institute
408	Marine Employees Commission
410	Transportation Commission
411	Freight Mobility Strategic Investment Board
462	Pollution Liability Insurance Program
476	Growth Management Hearings Board
550	Convention and Trade Center
707	Sundry Claims
716	Agency Loans

## August 4, 2003

075	Office of the Governor
082	Public Disclosure Commission
086	Governor's Office of Indian Affairs
087	Commission on Asian Pacific American Affairs
090	State Treasurer
095	Office of the State Auditor
100	Office of the Attorney General
105	Office of Financial Management
107	Health Care Authority
110	Office of Administrative Hearings
111	Department of Personnel
117	Gambling Commission
120	Human Rights Commission
124	Department of Retirement Systems
126	State Investment Board
130	State Printer
140	Department of Revenue
147	Office of Minority and Women's Businesses Enterprises
155	Department of Information Services
160	Office of the Insurance Commissioner
165	Board of Accountancy
190	Board of Industrial Insurance Appeals
227	Criminal Justice Training Commission
275	Public Employment Relations Commission
305	Department of Veteran's Affairs
315	Services for the Blind
343	Higher Education Coordinating Board
351	School for the Blind
353	School for the Deaf
360	University of Washington
365	Washington State University
370	Eastern Washington State University
375	Central Washington State University
376	The Evergreen State College
380	Western Washington University
387	Arts Commission
395	Eastern Washington Historical Society
407	Transportation Improvement Board
460	Columbia River Gorge
467	Interagency Committee on Outdoor Recreation
468	Environmental Hearings Office
540	Employment Security Department
699	Community and Technical Colleges
701	Treasurer's Transfers
705	Treasurer's Deposit Income
740	Contribution to Retirement Systems

## August 11, 2003

020	Legislative Evaluation and Accountability Program
085	Office of the Secretary of State
102	Department of Financial Institutions
103	Department of Community, Trade and Economic Development
116	Washington State Lottery
150	Department of General Administration
185	Horse Racing Commission
195	Liquor Control Board
215	Utilities and Transportation Commission
225	State Patrol
235	Labor and Industries
240	Department of Licensing
245	Military Department
300	Department of Social and Health Services
303	Department of Health
310	Department of Corrections
325	Sentencing Guidelines Commission
350	Office of Superintendent of Public Instruction
354	Workforce Training and Education Coordinating Board
390	Washington State Historical Society
405	Department of Transportation
406	County Road Administration Board
461	Department of Ecology
465	State Parks and Recreation Commission
471	State Conservation Commission
477	Department of Fish and Wildlife
490	Department of Natural Resources
495	Department of Agriculture

#### A-2 Revenue Source Codes

#### Category and major source definitions

The budget process in the state of Washington segregates appropriations into three main categories: state, federal, and private/local. Since appropriations are directly linked to supporting funding sources, revenue codes are designated similarly.

<u>Category</u>	Revenue Source Codes
Ctoto	0.1VV $0.2VV$ $0.4VV$ $0.6V$

State 01XX, 02XX, 04XX, 06XX, 08XX

Federal 03XX Private/Local 05XX

The following generally describe the nature of revenue included in each category.

#### State

Revenues levied/charged by the state in support of state-sponsored programs, including taxes, licenses, permits, fees, fines, and forfeitures, as well as any revenues collected by the state that do not meet the definitions of federal or private/local revenues outlined below. State revenues also include resources generated from transactions where participants in state-sponsored activities receive value for resources provided, for example, tuition at a state-sponsored school, charges to residents in state institutions, sales of state property, and premiums for state-sponsored insurance programs.

#### **Federal**

Revenues that the state receives from the federal government under grant and similar agreements where the state is required to expend the assistance in accordance with federal program specifications. It also includes revenues received in payment of federal purchases of goods and services; federal contributions toward supported expenditures; and revenues associated with expenditures that are fully reimbursed by the federal government. (Note: Charges to federal appropriations are required to be supported by federal revenues.)

#### Private/Local

Revenues provided to the state by nonfederal sources such as private individuals, local governments, commercial enterprises, and foundations that are restricted by contract or agreement. It can also include revenues received in payment of private/local purchases of goods and services; private/local contributions toward supported expenditures; and revenues associated with expenditures that are fully reimbursed by the private/local sources. (Note: Charges to private/local appropriations are required to be supported by private/local revenues.)

Effective July 1, 2003, the following will be the major revenue source code descriptions as found in the OFM State Administrative and Accounting Manual, Chapter 75.80.

#### Code Title and Description

#### **0100** Taxes

Amounts levied on individuals, organizations, and businesses by the state Legislature for the purpose of funding state services. Some taxes are based on or derived from an underlying exchange transaction between a merchant and a customer upon which the state imposes a tax, such as sales and fuel taxes. Other taxes imposed on non-governmental entities are nonexchange in nature. Property taxes, imposed on the value of property owned, are an example of a nonexchange tax revenue.

#### 0200 Licenses, Permits, and Fees

Amounts paid by individuals, organizations, and businesses to engage in certain specified activities such as operating a business, driving a car, or hunting and fishing.

#### 0300 Federal Revenues

Revenue that the state receives from the federal government under grant and similar agreements where the state is required to expend the revenue in accordance with federal program specifications. It also includes revenues associated with expenditures that are fully reimbursed by the federal government.

#### 0400 State Charges and Miscellaneous Revenue

Revenue that the state receives from individuals, organizations, businesses, and other governments for goods and services in conjunction with state-sponsored programs.

#### 0500 Local Charges and Miscellaneous Revenue

Resources provided to the state by nonfederal sources such as private individuals, local governments, commercial enterprises, and foundations that are restricted by contract or agreement. It also includes revenues associated with expenditures that are fully reimbursed by private/local sources.

#### 0600 Transfers

Amounts transferred by state agencies to other accounts and/or agencies including treasurer's transfers of resources collected by one state agency/account to the agency/account that expends the resources.

#### Code Title and Description

#### 0800 Other Revenues and Financing Sources

Other revenues and financing sources not recorded elsewhere including those associated with debt financing activities, resources supporting trust activities, and certain noncash activities, such as receipt of donated commodities.

#### 0900 Non-Revenue Activities

Amounts related to various suspense codes that must be adjusted to zero at yearend.

#### New Revenue Chart of Accounts for the 2003-05 Biennium

		N	New Existing		xisting
Major Source Title	Source Title	C	ode	Code	
Taxes	Retail Sales Tax	01	01	01	01
	Tax Credits – Sales Tax	01	02	01	02
	Business and Occupation Tax	01	05	01	05
	Tax Credits – Business and Occupation	01	06	01	06
	Brokered Natural Gas	01	80	01	08
	Tax Credits - Brokered Natural Gas	01	09	01	09
	Compensating Tax	01	10	01	10
	Tax Credits - Compensating Tax	01	11	01	11
	Hazardous Substance Tax	01	12	01	12
	Tax Credits - Hazardous Substance	01	13	01	13
	Motor Vehicle Fuel Tax	01	15	01	15
	Use Fuel Tax (Other than Motor Vehicle Fuel)	01	16	01	16
	State Enhanced 911 Tax	01	17	01	17
	Liter Tax-Liquor	01	18	01	18
	Liquor Sales Tax-Surcharge	01	19	01	19
	Liquor Sales Tax	01	20	01	20
	Beer Tax	01	21	01	21
	Wine Tax	01	22	01	22
	Cigarette Tax	01	25	01	25
	Other Tobacco Products Tax	01	26	01	26
	I-773 Cigarette Tax	01	27	01	27
	Solid Waste Collection Tax	01	28	01	28
	I-773 Other Tobacco Tax	01	29	01	29
	Insurance Premium Tax	01	30	01	30
	Carbonated Beverage Tax	01	31	01	31
	Tax Credits - Carbonated Beverage	01	32	01	32
	Tax Credits - Public Utilities	01	34	01	34
	Public Utilities Tax	01	35	01	35
	Public Utilities District Tax	01	36	01	36
	Syrup (Soda) Tax	01	37	01	37
	Tax Credits - Syrup (Soda)	01	38	01	38

Major Source Title	Source Title	New Code	Existing Code
Taxes, continued	Parimutuals Tax	01 40	01 40
	Petroleum Products Tax	01 41	01 41
	Tax Credits - Petroleum Products	01 42	01 42
	Medicaid Tax	01 43	01 43
	Amusements Tax	01 45	01 45
	Watercraft Excise Tax	01 49	01 49
	Property Tax	01 50	01 50
	Excise Taxes - Other	01 51	01 51
	Inheritance/Estate Taxes	01 55	01 55
	Real Estate Excise Tax	01 57	01 57
	Motor Vehicle Excise Tax	01 58	01 58
	Leasehold Excise Tax	01 59	01 59
	Commercial Fishing-Privilege Tax	01 60	01 60
	Exhibition Center Admission Tax	01 61	01 61
	Stadium Admission Tax	01 62	01 62
	Stadium and Exhibition Center Parking Tax	01 63	01 63
	Other Taxes	01 70	01 70
	Penalties and Interest	01 75	01 75
	Timber Tax	01 80	01 80
	Fire Insurance Premium Distribution	01 90	01 90
	PUD Excise Tax Distribution	01 91	01 91
	Prosecuting Attorney Distribution	01 92	01 92
	MVET Distribution	01 93	01 93
	Travel Trailer Distribution	01 94	01 94
	Motor Vehicle Fuel Tax Distribution	01 95	01 95
	Liquor Tax Distribution	01 96	01 96
	Timber Tax Distribution	01 97 01 98	01 97 01 98
	Other Tax Distribution Tax Revenue Suspense (DOR Only)	01 98 01 99	01 98 01 99
Licenses, Permits	Accountants	02 01	02 01
and Fees	Auctioneers	02 02	02 02
	Agriculture/Aquaculture License/Fees	02 03	02 03
	Aircraft	02 04	02 04
	Alcoholic Beverages	02 05	02 05
	Alias Business Certification Fees	02 06	02 06
	Other Health Professions Licenses	02 07	02 07
	Architect Licenses	02 08	02 08
	Beautician Licenses	02 09	02 09
	Athletic Licenses	02 10	02 10
	Gambling Licenses and Fees	02 11	02 11
	Banking Licenses and Fees	02 12	02 12
	Barber Licenses	02 13	02 13
	Property Tax Exemption Application	02 14	02 14
	Hearing Aid Consultants	02 16	02 16

Major Source Title	Source Title	New Code	Existing Code
Licenses, Permits	Cemetery Fees	02 17	02 17
and Fees, continued	Land Sales Disclosure Act	02 18	02 18
a	Certified Psychologist Licenses	02 19	02 19
	Charitable Funds Solicitation	02 20	02 20
	Cigarette Fees and Licenses	02 21	02 21
	Commercial Driver Schools	02 22	02 22
	Contractors Registration	02 23	02 23
	Collection Agencies	02 24	02 24
	Burning Permit Fees	02 25	02 25
	Corporation Licenses and Fees	02 26	02 26
	Debt Adjuster Licenses	02 28	02 28
	Electrical Licenses	02 29	02 29
	Escrow Transaction Licenses	02 30	02 30
	Employment Agency Licenses	02 31	02 31
	Engineering and Surveying Licenses	02 32	02 32
	Farm Labor Licenses	02 33	02 33
	Education Institutions Registration	02 34	02 34
	Superior Courts Fines and Forfeitures	02 35	02 35
	Firearms License Fees and Permits	02 36	02 36
	Commercial Fishing Licenses	02 37	02 37
	Franchise Licenses	02 38	02 38
	Funeral Licenses	02 40	02 40
	Superior Court Filing Fees	02 41	02 41
	Health Fees and Licenses	02 42	02 42
	Litter Control Fees	02 43	02 43
	Horse Racing Licenses and Fees	02 44	02 44
	Hunting and Fishing Licenses	02 45	02 45
	Insurance Licenses and Fees	02 46	02 46
	Librarian Certificates	02 47	02 47
	Liquid Fuel Licenses	02 48 02 49	02 48
	Landscape Architects		02 49
	Fireworks Licenses  Dental Licenses	02 50 02 51	02 50 02 51
	Medical Licenses	02 51	02 51
	Motor Vehicle Licenses	02 52	02 52
	Motor Vehicle Operator Licenses	02 54	02 53
	Automobile Sales Licenses	02 55	02 55
	Notary Fees and Comm of Deeds	02 56	02 56
	Licensed Practical Nurse Licenses	02 57	02 57
	Registered Nurse Licenses	02 58	02 58
	Oil and Gas Well Drilling Permits	02 59	02 59
	Optician Licenses	02 60	02 60
	Optometrist Licenses	02 61	02 61
	Pharmacy Licenses	02 62	02 62
	Puget Sound Pilot Licenses	02 63	02 63

Major Source Title	Source Title	New Code	Existing Code
Licenses, Permits	Nursing Home Admin Licenses	02 64	02 64
and Fees, continued	Power Licenses	02 66	02 66
·	Proprietary Schools Licenses	02 67	02 67
	Public Utilities Regulatory Fees	02 68	02 68
	Business Opportunity License	02 69	02 69
	Real Estate Licenses	02 70	02 70
	Sewage Treatment Plant Operator License	02 71	02 71
	Safety Inspection Licenses and Fees	02 72	02 72
	Sanitarian Licenses	02 73	02 73
	Savings and Loan Licenses and Fees	02 74	02 74
	Oculist Licenses	02 75	02 75
	Forest Practices Permit Fees	02 76	02 76
	Security Licenses, Permits and Fees	02 77	02 77
	Occupational Therapist Licenses	02 78	02 78
	Vessel Registration Fees	02 79	02 79
	Tax Exemption Permits	02 80	02 80
	Sellers of Travel	02 81	02 81
	Dist of Liquor License Fees-Class H	02 82	02 82
	Veterinarian Licenses	02 83	02 83
	Dist of Liquor License Fees A-F	02 84	02 84
	Water Resources Fees	02 85	02 85
	Water Quality Fees	02 86	02 86
	Well Construction and Licensing	02 87	02 87
	Ecology Environmental Fees	02 88	02 88
	Log Patrol Licenses	02 90	02 90
	Marriage Licenses	02 91	02 91
	Master License Delinquency Fees	02 92	02 92
	Excise Tax Registration Cert	02 93	02 93
	Hazardous Waste Fees	02 94	02 94
	Certified Acupuncturist Licenses	02 95	02 95
	Replacement Tire Assessments	02 96	02 96
	Boating Safety Distributions	02 97	02 97
	Other Licenses, Permits and Fees	02 99	02 99
Federal Revenues	African Development Foundation	03 01	
	Agency for International Development	03 02	
	Institute of Museum Services	03 03	03 45
	Inter-American Foundation	03 04	
	National Endowment for the Arts	03 05	03 45
	National Endowment for the Humanities	03 06	03 45
	Office of National Drug Control Policies	03 07	
	Peace Corps	03 08	
	Legal Services Corporation	03 09	
	Department of Agriculture	03 10	03 10

Major Source Title	le Source Title		Existing Code
Federal Revenues,	Department of Commerce	03 11	
continued	Department of Defense	03 12	
Continueu	Central Intelligence Agency	03 13	
	Dept of Housing and Urban Development	03 14	
		03 15	
	Department of the Interior		
	Department of Justice	03 16	
	Department of Labor	03 17	
	Federal Reserve System	03 18	
	Department of State	03 19	
	Department of Transportation	03 20	
	Department of the Treasury	03 21	
	Postal Service	03 22	
	Appalachian Regional Commission	03 23	
	Office of Personnel Management	03 27	
	Commission on Civil Rights	03 29	
	Equal Employment Opportunity Commission	03 30	03 30
	Federal Communications Commission	03 32	2 03 32
	Federal Maritime Commission	03 33	3 03 33
	Federal Mediation and Conciliation Services	03 34	4 03 34
	Federal Trade Commission	03 36	6 03 36
	General Services Administration	03 39	9 03 39
	Government Printing Office	03 40	03 40
	Interstate Commerce Commission	03 41	1 03 41
	Library of Congress	03 42	2 03 42
	National Aeronautics and Space Administration	03 43	3 03 43
	National Credit Union Administration	03 44	1 03 44
	Nat Foundation of Arts and the Humanities	03 45	
	National Labor Relations Board	03 46	
	National Science Foundation	03 47	
	Pres Comm on Employment of Handicapped	03 53	
	Railroad Retirement Board	03 57	
	Securities and Exchange Commission	03 58	
	Small Business Administration	03 59	
	Smithsonian Institution	03 60	
	International Trade Commission	03 61	
	Tennessee Valley Authority	03 62	
	Veterans Administration	03 64	
	Environment Protection Agency	03 66	
		03 68	
	National Gallery of Art	03 70	
	Overseas Private Investment Corp		
	Nuclear Regulatory Commission	03 77	
	Commodity Futures Trading Comm	03 78	
	Department of Energy	03 81	
	U.S. Information Agency	03 82	
	Federal Emergency Management Agency	03 83	3   03 83

Major Source Title	Source Title	New Code			sting ode
Federal Revenues,	Department of Education	03 8		03	84
continued	Scholarship/Fellowship Foundations	03 8	5	03	85
	Pension Benefit Guaranty Corp	03 8	6	03	86
	Consumer Product Safety Commission	03 8	7		
	Architect/Trans Barriers Compliance	03 8	8	03	88
	National Archives/Records Admin	03 8	9	03	89
	U.S. Institute of Peace	03 9	1	03	91
	National Council on Disability	03 9	2	03	92
	Department of Health and Human Services	03 9	3	03	93
	Corp for National and Community Service	03 9	4	03	94
	Executive Office of the President	03 9	5	03	95
	Social Security Administration	03 9	6	03	96
	Federal Revenue – Non-Assistance	03 9	7	03	05, 07
	Federal Revenue Distributions	03 9	8	03	03
	Federal Assistance - Miscellaneous	03 9	9	03	99
State Charges and	Treasury Investment Income	04 0	1	04	01
Miscellaneous	Income From Property	04 0	2	04	02
Revenue	Juvenile Court Fees	04 0	3	04	03
	Cost of Supervision Assessment Fee	04 0	4	04	04
	Fines and Forfeits	04 0	5	04	05
	Litter Control Revenue	04 0	6	04	06
	Patient Care	04 0	7	04	07
	Treasury Deposit Income	04 0	8	04	80
	Interest Income	04 0	9	04	09
	Unclaimed Monies	04 1	0	04	10
	Dividend Income	04 1	1	04	11
	Capital Gains	04 1	3	07	03
	Capital Losses	04 1	4	07	04
	Sale of Property - Timber	04 1	5	04	15
	Sale of Property - Other	04 1	6	04	16
	Victims of Crime Compensation	04 1	7	04	17
	Gain/Loss on Sale of Capital Assets	04 1	8	04	18
	Support Enforcement Service Fees	04 1	9	04	19
	Charges for Services	04 2	0	04	20
	Publications and Documents	04 2	1	04	21
	Board, Room and Meals - Residents	04 2	3	04	23
	Tuition and Fees	04 2		04	24
	Filing Fees and Legal Services	04 2		04, 05	25
	Property and Resources Management	04 2	7	04	27
	Other Charges for Current Services	04 2		04	28
	Natural Resources Equipment Rental	04 2		04	29
	Dedicated Student Fees	04 3	0	04	30

Major Source Title	Source Title		ew ode	Exist Cod	•
State Charges and	Miscellaneous Student Fees	04	31	04	31
Miscellaneous	Hazardous Waste Cleanup Recoveries	04	34	04	34
Revenue, continued	Indirect Cost Reimbursement	04	40	04, 05	40
ŕ	Contributions and Grants - State	04	41		
	Grant Repayments	04	44	04	44
	Unemployment Compensation Reimbursement	04	45	04	45
	Federal Revenue - Pass Through	04	47	04	47
	Indirect Cost Recoveries - State	04	48	04	48
	Sales of Goods & Supp - Prop Funds	04	50	04	50
	Sales of Liquor	04	55	04	55
	Judicial Information System Fees	04	70	04	70
	Unemployment Compensation Contributions	04	71	06	05
	Workers' Compensation Contributions	04	72	06	10
	Cost of Investment Activities	04	73	07	05
	Interest Exp on Reverse Repurchase	04	74	07	51
	Lottery Ticket Proceeds	04	77	04	77
	Lottery Ticket Returns	04	78	04	78
	LCB State Tax Distributions	04	84	04	84
	Immaterial Prior Period Adjustments	04	85	04	85
	Recovery of Prior Appropriation Expenditures	04	86	07	16
	Recoveries of Student Fin Aid Exp	04	87	07	38
	Refunds on Account of Forgery-Prior	04	88	07	23
	Amortization	04	89	07	06
	Cash Over and Short	04	90	04	90
	Death Investigation Distributions	04	92	04	92
	Aquatic Lands Distributions	04	93	04	93
	Impaired Driving Safety Distributions	04	94	04	94
	Commuting Reimbursement	04	95	04	95
	Insurance Premiums	04	96	04	96
	Charges for Transportation Services	04	97	04	97
	Tort Claim Reimbursement	04	98	04	98
	Other Revenue	04	99	04	99
Private/Local	Board, Room, and Meals (DVA only)	05	23	05	23
Revenue	Highway Construction and Maintenance	05	26	05	26
	Energy Fac Appl and Mon. Fees	05	35	05	35
	Contributions and Grants - Private/Local	05	41	05	41
	Federal Revenue - Pass Through	05	46	05	46
	Miscellaneous Revenue - Private/Local	05	49	05	33, 49
	Reimbursable Private/Local Contracts	05	97	05	20, 23,26
Transfers	Bond Transfers In	06	11	04	62
	Bond Transfers Out	06	12	04	61
	Operating Transfers In	06	21	04	80
	Operating Transfers Out	06	22	04	81
	Investment Admin Transfer (SIB Only)	06	23	04	82

		New		Existing		
Major Source Title	Source Title	Code			code	
Transfers, continued	Noncash Revenue Transfers-Compensation	06	26	07	26	
•	Noncash Revenue Transfers-Other	06	27	07	27	
	County Sale/Use Tax Equalization	06	31	06	31	
	Municipal Sale/Use Tax Equalization	06	32	06	32	
	Timber Tax	06	33	06	33	
	Basic Health Plan	06	34	06	34	
	Air Pollution Control - Ride Share	06	35	06	35	
	State Treasurer's Service Account	06	36	06	36	
	Stadium & Exhibition Account Transfer – Lottery	06	41	06	41	
	Student Achievement Account Transfer – Lottery	06	42	06	42	
	Education Construction Account Transfer - Lottery	06	43	06	43	
	General Fund Transfer - Lottery	06	44	06	44	
	Flood Control	06	51	06	51	
	Water Quality	06	52	06	52	
	DSHS Support Enforcement	06	53	06	53	
	County Criminal Justice Transfer	06	54	06	54	
	Municipal Criminal Justice Transfer	06	55	06	55	
	Emergency Reserve Account	06	56	06	56	
	High Capacity Transit	06	61	06	61	
	Fair Fund Transfers	06	66	06	66	
	Initiative 773 Transfer	06	67	06	67	
	Education Savings Account Transfer	06	68			
	Fire Insurance Premium Account Transfer	06	69			
	Natural Resource Deposit Account Transfer	06	70			
	Agency Incentive Savings Transfers (OFM Only)	06	77	07	77	
	Equity Transfers - In	06	78	07	78	
	Equity Transfers - Out	06	79	07	79	
	Pension Reserve Transfers In	06	80	06	80	
	Pension Reserve Transfers Out	06	81	06	81	
	Retirement System Transfer	06	83	04	83	
	Transfer to Wildlife Account	06	84	06	84	
	Operating Transfers - Arbitrage	06	91	07	81	
	Operating Transfers - Arbitrage Reimb	06	92	07	82	
	Operating Transfers - Debt Service	06	93	07	83	
	Operating Transfers - Debt Service Reimb	06	94	07	84	
	Operating Transfers - Sales Taxes	06	95	07	85	
	Operating Transfers - Motor Fuel Tax	06	96	07	86	
	Operating Transfers - Fiscal Agent	06	97	07	87	
	Operating Transfers - Property Taxes	06	98	07	88	
	Operating Transfers - Higher Ed Fees	06	99	07	89	

Other Revenues	Employer Pension Contributions	08	02	06	02
and Financing	Member Pension Contributions		03	06	03
Sources	State Pension Contributions		04	06	04
	Noncash Certificates of Participation	08	07	07	07
	Noncash Capital Lease Acquisition	08	09	07	09
	Donations of Commodities	08	12	07	12
	Capital Contributions	08	20	07	20
	Pool Participant Contributions	08	25	06	25
	Pymts to Refunded Bond Escrow Agent	08	55	07	55
	Underwriters Discount/COI – Refunding Bonds	08	57	07	57
	Original Issue Prem (Disc) – Refunding Bonds	08	58	07	58
	Proceeds of Refunding Bonds	08	59	07	59
	Bonds Issued	80	60	04	60
	Original Issue Premium (Discount)	80	63	04	63
	Taxable Bonds Issued	80	64	04	64
	Note Proceeds	08	65	04	65
	Loan Principal Repayment	08	66	07	65
Non-Revenue	Interagency Reimbursements	09	01	07	14
Activities	Recovery of Current Appropriation Exp	09	02	07	15
	Recoveries of Foster Care Expend	09	03	07	37
	Child Support Payments	09	04	07	17
	Items Placed in Suspense	09	20	07	30
	Rental Excise Tax Suspense	09	21	07	48
	Undistributed Receipts	09	25	07	31
	State Self-Pay Refunds	09	30	07	46
	Higher Ed Self-Pay Refunds	09	31	07	47
	Deposit Adjustments/Returned Checks	09	40	07	91

**A-3 Allotment Forms** These forms are also available at OFM's Web site. ALLOTMENT PACKET NO. OFM LOG NO. DATE ASSIGNED **UNANTICIPATED RECEIPT FORM** B20-1 APPROVAL REQUEST 5/97 \_\_/\_\_/\_\_ NCY/DIVISION **CONTACT PERSON** SCAN PHONE NO. CODE )\_ **PROGRAM** CODE FUND CODE ■ PASS-THROUGH PURPOSE OF GRANT AND DESCRIPTION OF HOW FUNDS WILL BE USED ■ OPERATING ☐ CAPITAL TIME PERIOD □ NEW □ CONTINUING SOURCE DESCRIPTION (List agency, sub agency, program, etc.) **BUDGET IMPACT SUMMARY** SOURCE OF UNANTCIPATED SUBSTITUTE FEDERAL DOMESTIC ASSISTANCE CATALOG NO. AND TITLE **FUNDS AMOUNT D AMOUNT** ALLOTTED □ FEDERAL UNALLOTTED PROPOSED SOURCE OF MATCHING FUNDS **AMOUNT** □ STATE RESERVE ☐ LOCAL TOTAL \* A COPY OF THE GRANT AWARD MUST ACCOMPANY THIS FORM ■ OTHER ADDITIONAL FTE (Staff Years) ANALYSIS (to be completed by requesting agency) Attach additional documents or explanation as necessary. YES 1. Can these funds be substituted for presently allotted funds? If yes, describe savings and whether this amount will be placed in allotment reserve. If no, cite specific reason, regulation, RCW, federal law, etc. that prohibits supplanting. 2. Does acceptance of these funds commit the state to further expenditures in a later period? If yes, indicate the probable source of future funding. 3. Will the activity supported by these funds generate a permanent program or service within state government? If yes, show the estimated budget. FUND CODE | SOURCE CODE **BIENNIAL COST (Present \$)** FTE 4. Indicate the specific plan for termination or continuation of the program beyond the anticipated length of time and funding. REQUESTING AGENCY FOR OFM USE ONLY DATE \_\_\_/\_\_/\_\_ SIGNATURE ANALYST DATE

## State of Washington Office of Financial Management ANNUAL MAINTENANCE SUMMARY REPORT

		P.A	GE 1 OF 3			
AGENCY/INSTITUTION		DATE/				
COMPLETED BY		TITLE				
PHONE NUMBER ( )						
The document is comple categories are consisten represents the best appr	it with those in	n the OFM Faci	lity Inventory Sys	oted by OFM stem. Inform	. Condition	n assessment ained herein
BACKGROUND						
State Owned Facilit	ies					
Num	ber of Camp	uses/Sites	Number of	Facilities	Gross	Square Feet
2. What facilities are s	cheduled to b	e brought on lir	e this biennium?	?		
Facility Name Function			Gross Square Feet		_	
i acinty ivailie		Function	Gr	oss Square	Feet	Occupancy
i acinty Hame		Function	Gr	oss Square	Feet	Occupancy
3. Square feet of facilit attachment to this p  Age (*)				on condition		
3. Square feet of facilit attachment to this p  Age (*) Less than 10 years	olicy.	f the following c	ategories based	on condition	n definitions	s in the
Square feet of facilit	olicy.	f the following c	ategories based	on condition	n definitions	s in the
3. Square feet of facility attachment to this posterior (*)  Less than 10 years  Between 10 and 30  Over 30 years	Superior	f the following c	ategories based  Needs Improvemen	on condition	n definitions	s in the
3. Square feet of facilit attachment to this p  Age (*) Less than 10 years  Between 10 and 30	Superior Superior truction or late	f the following c	ategories based  Needs Improvemen	on condition	n definitions	s in the
3. Square feet of facility attachment to this possible.  Age (*) Less than 10 years Between 10 and 30 Over 30 years  * Based on date of constant of the consta	Superior Superior truction or late	Adequate  Adequate  est date of a ma	ategories based  Needs Improvement	on condition Vant De	n definitions	s in the
3. Square feet of facility attachment to this possible.  Age (*) Less than 10 years Between 10 and 30 Over 30 years * Based on date of constant of the constan	Superior Superior truction or late	Adequate  Adequate  est date of a ma	ategories based  Needs Improvement	on condition Vant De	n definitions	s in the
3. Square feet of facilit attachment to this p Age (*) Less than 10 years Between 10 and 30 Over 30 years * Based on date of const FACILITY MANAGEME 4. Expenditure history Maintenance	Superior Superior truction or late	Adequate  Adequate  est date of a ma	ategories based  Needs Improvement  ajor remodel.	on condition  Va  nt De	n definitions	No Assessment
3. Square feet of facilit attachment to this p  Age (*) Less than 10 years Between 10 and 30 Over 30 years * Based on date of const  FACILITY MANAGEME  4. Expenditure history  Maintenance  Preventative/Predictive	Superior Superior truction or late	Adequate  Adequate  est date of a maximum year for state of Operating	ategories based  Needs Improvement  ajor remodel.  owned space (*).  Capital	on condition  Va  nt De	n definitions	No Assessment
3. Square feet of facility attachment to this possible.  Age (*) Less than 10 years Between 10 and 30 Over 30 years  * Based on date of constant of the consta	Superior Superior truction or late	Adequate  Adequate  est date of a ma	ategories based  Needs Improvement  ajor remodel.  owned space (*).  Capital  N/A	on condition  Va  nt De	n definitions	No Assessment

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<sup>\*</sup>Above costs do not include janitorial, landscape maintenance, and other operating costs such as refuse and recycling, parking management, boiler plant operations, law enforcement and security, property management, visitor information, tour services, fire protection, life safety services, etc.

## State of Washington

Roads and Walks Sewers Water Distribution Steam and Condensation Other  8. Are there any specific operating budget maintenance initiatives, or capital budget preservation initiatives being undertaken this biennium?		PAGE 2	OF 3	
System Name  6. Identify state funded operating budget FTEs Prior year maintenance staff Current year maintenance staff Future year maintenance in the following categories?  Needs Improveme % % % Sewers Water Distribution Steam and Condensation Other  8. Are there any specific operating budget maintenance initiatives, or capital budget preservation initiatives being undertaken this biennium?  9. Additional Comments?  This form is to be filled out by agencies that have more than 150,000 gross square feet of state owned space addition, agencies with multiple program locations will also be asked to complete a separate maintenance	AGENCY/INSTITUTION		D	ATE/
Prior year maintenance staff Current year maintenance staff Future year maintenance year year year year year year year yea		-		□ Yes □ No
Current year maintenance staff Future year maintenance staff Future year maintenance staff  (FTE) (FTE - estimated)  7. What is the percentage of infrastructure in each of the following categories?  Superior Adequate Needs Improveme % % %  Roads and Walks Sewers Water Distribution Steam and Condensation Other  8. Are there any specific operating budget maintenance initiatives, or capital budget preservation initiatives being undertaken this biennium?	i. Identify state funded operation	ng budget FTEs		
Future year maintenance staff  (FTE - estimated)  7. What is the percentage of infrastructure in each of the following categories?  Superior Adequate Needs Improveme % % % %  Roads and Walks Sewers Water Distribution Steam and Condensation Other  3. Are there any specific operating budget maintenance initiatives, or capital budget preservation initiatives being undertaken this biennium?  9. Additional Comments?  This form is to be filled out by agencies that have more than 150,000 gross square feet of state owned space addition, agencies with multiple program locations will also be asked to complete a separate maintenance				(FTE)
7. What is the percentage of infrastructure in each of the following categories?  Superior Adequate Needs Improveme % % % %  Roads and Walks Sewers Water Distribution Steam and Condensation Other  3. Are there any specific operating budget maintenance initiatives, or capital budget preservation initiatives being undertaken this biennium?	Current year	maintenance staff		(FTE)
Superior Adequate Needs Improveme % % %  Roads and Walks Sewers Water Distribution Steam and Condensation Other  3. Are there any specific operating budget maintenance initiatives, or capital budget preservation initiatives being undertaken this biennium?	Future year n	naintenance staff		(FTE - estimated)
Roads and Walks Sewers Water Distribution Steam and Condensation Other  3. Are there any specific operating budget maintenance initiatives, or capital budget preservation initiatives being undertaken this biennium?	. What is the percentage of in	frastructure in each of the	ollowing categories?	
Roads and Walks Sewers Water Distribution Steam and Condensation Other  8. Are there any specific operating budget maintenance initiatives, or capital budget preservation initiatives being undertaken this biennium?  9. Additional Comments?  This form is to be filled out by agencies that have more than 150,000 gross square feet of state owned space addition, agencies with multiple program locations will also be asked to complete a separate maintenance		Superior	=	<b>Needs Improvement</b>
Sewers  Water Distribution Steam and Condensation Other  8. Are there any specific operating budget maintenance initiatives, or capital budget preservation initiatives being undertaken this biennium?	Poads and Walks	%	%	<b>%</b>
Water Distribution Steam and Condensation Other  8. Are there any specific operating budget maintenance initiatives, or capital budget preservation initiatives being undertaken this biennium? Yes N 9. Additional Comments?  This form is to be filled out by agencies that have more than 150,000 gross square feet of state owned space addition, agencies with multiple program locations will also be asked to complete a separate maintenance				
Steam and Condensation Other  3. Are there any specific operating budget maintenance initiatives, or capital budget preservation initiatives being undertaken this biennium?  9. Additional Comments?  This form is to be filled out by agencies that have more than 150,000 gross square feet of state owned space addition, agencies with multiple program locations will also be asked to complete a separate maintenance				
Are there any specific operating budget maintenance initiatives, or capital budget preservation initiatives being undertaken this biennium?  Additional Comments?  This form is to be filled out by agencies that have more than 150,000 gross square feet of state owned space addition, agencies with multiple program locations will also be asked to complete a separate maintenance				
8. Are there any specific operating budget maintenance initiatives, or capital budget preservation initiatives being undertaken this biennium?				
addition, agencies with multiple program locations will also be asked to complete a separate maintenance	budget preservation initiative			□ Yes □ No
addition, agencies with multiple program locations will also be asked to complete a separate maintenance				
addition, agencies with multiple program locations will also be asked to complete a separate maintenance				
addition, agencies with multiple program locations will also be asked to complete a separate maintenance				
addition, agencies with multiple program locations will also be asked to complete a separate maintenance				
addition, agencies with multiple program locations will also be asked to complete a separate maintenance				
addition, agencies with multiple program locations will also be asked to complete a separate maintenance				
survey for each site/institution with more than 150,000 gross square feet of state-owned space.				

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**Allotment Instructions 2003-05** 

# State of Washington Office of Financial Management ANNUAL MAINTENANCE SUMMARY REPORT

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Definitions to be used for questions 3 and 7.

FIS Condition Code	Description	General Criteria/Guideline
1	Superior	<ul> <li>New construction, major remodel, or recently refurbished systems and finishes.</li> <li>Maintained adequately with routine maintenance</li> <li>Little or no corrective maintenance required</li> <li>Little or no deferred maintenance</li> </ul>
2	Adequate	<ul> <li>Finishes are generally worn but major systems and overall facility is in reasonable shape</li> <li>Maintained adequately with routine maintenance</li> <li>Some minor works projects proposed to upgrade system components and finishes</li> <li>Beginning to see some corrective maintenance</li> <li>Relatively small amount of deferred maintenance</li> </ul>
3	Needs Improvement	<ul> <li>Facility has potential for imminent systems failure or is facing large repair cost</li> <li>Facility requires substantial maintenance effort</li> <li>Increased demands for corrective maintenance</li> <li>Substantial deferred maintenance</li> </ul>
4	Vacant Building	<ul> <li>Facility may be minimally occupied or used for a less technical requirement, i.e., storage</li> <li>The future use or demolition of the facility has not be determined, facility may be salvageable</li> <li>Facility is maintained to a limited degree (mothballed), but is kept dry and heated</li> <li>Major amount of deferred maintenance</li> </ul>
5	Scheduled for Demolition	<ul> <li>Occupied or vacant and scheduled for replacement or demolition within 10 years</li> <li>Only maintenance or repairs are those that are absolutely necessary for public safety or for continued limited use</li> </ul>
9	No Assessment Made	<ul> <li>No condition assessment has been made</li> <li>This is the default entry in the Facility Inventory System if a rating is not supplied</li> </ul>

This form available electronically.

6/01

#### A-4 Glossary of Allotment-Related Terms

**Account**—A fiscal and accounting entity with a self-balancing set of general ledger codes in which cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, are recorded and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. For reporting purposes, the state identifies major accounts, and administratively combines all remaining accounts into roll-up funds.

**Account Code or Number**—The three-character alpha/numeric code assigned by OFM to identify each account.

**Accrual Basis**—The basis of accounting whereby revenues are recognized when earned and measurable regardless of when collected; and expenses are recorded on a matching basis when incurred. All proprietary and fiduciary funds use the accrual basis of accounting.

**Accrued Expenditures**—Expenditures that meet the appropriate recognition criteria of the account type involved but that have not been paid. Accrued expenditures are expected to be paid in a subsequent accounting period.

**Accrued Liabilities**—Liabilities reflecting the obligation to pay for goods or services that have been incurred or received but not paid for by the end of the accounting period. Accrued liabilities related to refunds of revenue are offset to the revenue originally recorded.

**Accrued Revenues**—Revenues that meet the appropriate recognition criteria of the fund type involve, but are not realized until a subsequent accounting period. Also refer to Accrual Basis and Modified Accrual Basis.

**Allocation**—A part of a lump-sum appropriation that is designated for expenditure by specific governmental units and/or for specific purposes, activities, or objects. For example, the Legislature may provide a lump-sum appropriation to OFM for allocation to agencies on an as needed basis, or according to specified criteria.

**Allotment**—An agency's plan of estimated expenditures, revenues, cash disbursements, and cash receipts for each month of the biennium.

**Appropriation**—The legislative authorization to make expenditures and incur obligations from a particular account. Appropriations typically limit expenditures to a specific amount and purpose within a fiscal year or biennial timeframe.

**Appropriation Schedule**—A listing prepared by OFM of all dollar appropriations (by agency and account) contained in legislation, along with an assigned code for use in allotment preparation and other accounting requirements.

**Appropriation Type**—The designator that identifies the nature of the spending authority such as state, federal, private/local. See SAAM 75.50.10.

**Biennium**—A two-year fiscal period. The Washington State biennium runs from July 1 of an odd-numbered year to June 30 of the next odd-numbered year.

**Budget Drivers**—Caseload, economic, or demographic factors that have a significant effect on the state budget. Examples: inflation rate changes, state population in certain age groups.

**Budget Notes**—A legislative fiscal staff publication that summarizes the budget passed by the state Legislature. This publication is usually distributed a few months after the end of the legislative session. Budget notes provide guidance but are not legally binding.

**Budgeted Accounts**—Accounts that are subject to the appropriation and/or allotment process.

**Building Renewal**—Improvements to facilities, usually to the building envelope or within the building footprint, to prevent deterioration and maintain use of the facility.

Capital Budget and Ten-Year Capital Plan—The long-term financing and expenditure plan for acquisition, construction, or improvement of capital assets such as land and buildings, and for programs that accomplish facility improvements. The capital budget is included in an appropriation bill for a specific biennium; the Ten-Year Capital Plan is a proposal put forward by the Governor—but not enacted into law.

Capital Policy and Communications Committee (CP/CC)—A committee organized by OFM that includes representatives of major agencies with capital projects, universities and colleges, the design and engineering profession, and the contracting industry. The committee meets throughout the year to provide a forum for discussion of capital budgeting and project delivery issues common to all organizations, and undertakes analyses and makes recommendations regarding specific issues. Meetings are open to all agencies.

**Cash Disbursements**—Cash disbursements are any moneys (e.g., checks, cash, warrants, credit or amounts, or Electronic Fund Transfers (EFT)) paid by the state during a period regardless of when the related obligations are incurred.

**Cash Receipts**—Cash receipts are any moneys (e.g., checks, cash, warrants, credit or amounts, or EFTs) received by the state during a period regardless of when the moneys are earned.

**Construction Management (CM)**—Involves a contractual arrangement in which an owner employs an agent-consultant called a Construction Manger to coordinate and manage all of the construction trades. This additional management expertise is usually used on larger, more complex construction projects. However, an owner on a smaller project may retain a construction manager for that person's construction expertise to act as the representative for the owner on the project.

**Corrective Maintenance**—Unscheduled repair or replacement of equipment, systems, or components of facilities that require immediate action to restore service or repair problems that will interrupt building service or agency activities. This work is normally funded from the operating budget.

**Cost/Benefit Analysis**—An analysis in which consequences of the investment are measured in or converted to economic terms and quantitative benefits.

Cost Estimating—An element of basic services in an architect/engineer (A/E) agreement that includes an estimate of construction cost from quantity surveys and unit costs of building elements for the project. Cost estimates shall include the elements of work to complete the project, all costs and fees and taxes necessary to complete the work, plus appropriate construction estimating contingencies to cover unidentified costs necessary to complete the project. Interactive Cost Estimating is additional work beyond basic services in which additional design alternatives are estimated. Independent Cost Estimating, if needed, covers cost estimates by an independent third party contracted to the owner and used to validate cost estimates prepared by the A/E.

**Debt Limit**—Washington State's legal restriction (RCW 39.42.060) on the amount that can be paid for debt service on bonds, notes, or other borrowed money. The law states that the maximum level of payments of principal and interest on bonds issued cannot exceed 7 percent of the arithmetic mean of general state revenues for the three preceding fiscal years. The State Constitution (Article 8, Section 1(b)) contains a similar, but higher, debt limit of 9 percent of revenues.

**Dedicated Accounts**—Accounts set up by law to receive revenue from a specific source and to be spent for a specific purpose.

**Deferred Maintenance**—A backlog of activities that agencies deem necessary to bring facilities into good repair. Deferred maintenance is generally work that is left undone due to the lack of resources, or perceived lower priority than projects funded. Failure to perform deferred work may result in the progressive deterioration of the facility condition or performance, and if not addressed will significantly increase restoration cost.

**Designer**—A party to a contract to provide professional design services, often an architect or a professional engineer. Also, one (individual or corporate) who performs the design function in construction, as a package deal, a turnkey project, or a development management project.

**Economic Life**—In the context of cost/benefit analysis, this refers to the span of years necessary to compare similar costs of operating and maintaining alternative solutions. It may not necessarily equate to the time required to fully depreciate the structure. The economic life span should be the same for each alternative for a project. The period of time, extending from the date of installation to the date of retirement for the intended service over which a prudent owner expects to retain the property in order to obtain a minimum cost.

**Entitlement**—A service or grant that, under state or federal law, must be provided to all applicants.

**Expenditure Authority**—Permission for agencies to disburse moneys or accrue liabilities during specific fiscal periods, up to specified amounts, from specific accounts. Authority is provided by the Legislature through appropriations or inclusion of nonappropriated account moneys in the legislative budget; by the executive through allocations, approval of unanticipated receipts, or across-the-board spending reductions.

**Expenditures**—Decreases in net current financial resources. Expenditures include disbursements and accruals of the current period. Expenditures do not include encumbrances.

**Facilities Improvements**—These include initial construction, punch-list items, retrofits, alterations, remodeling, renewals, tenant improvements, renovations, adaptations and code improvements, etc. for a facility.

**Facility Preservation**—This is work that improves or restores the operational and service capacity to extend the useful life of a facility, but does not significantly affect the programs and services housed within the facility. This work generally differs from ordinary maintenance in the extent and cost of the work undertaken. The distinction between ordinary maintenance and preservation is made for the purpose of segregating these types of projects by funding source—operating or capital budget.

**Fiscal Year**—A one-year fiscal period. The Washington state fiscal year extends from July 1 through the next June 30. The federal fiscal year runs October 1 through September 30. The city/county fiscal year runs January 1 through December 31.

**Fiscal Note**—A statement of the estimated fiscal impact of proposed legislation. This cost estimate is usually developed by the state agencies affected by the bill, and then approved and communicated to the Legislature by the Office of Financial Management.

**Full-Time Equivalent (FTE)**—As a unit of measure of state employees: refers to the equivalent of one person working full-time for one year (approximately 2,088 hours of paid staff time). Two persons working half time also count as one FTE. As a unit of measure of students in K-12 or Higher Education facilities: refers to the equivalent of one student attending class full-time for one school year (based on fixed hours of attendance, depending on grade level).

**Funds**—A term that generally refers to moneys or resources.

**Fund Balance**—The amount of resources remaining in an account that is available to be appropriated or otherwise committed.

**Fund Code**—The account code plus the appropriation type.

**Fund Type**—One of 11 classifications into which all individual accounts can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

**General Obligation Bonds**—Bonds whose repayment is guaranteed by the "full faith and credit" of the state.

**General Fund-State**—The *general fund* represents all financial resources and transactions not required by law to be accounted for in other accounts. *General Fund-State* (GF-S) refers to the basic account that receives revenue from Washington's sales, property,

business and occupation, and other general taxes; and is spent for operations such as public schools, social services, and corrections.

**(Capital) Improvement**—A legal term referring to anything erected on and affixed to land (e.g., buildings, roads, fences, and services), which legally becomes part of the land, according to common law and statutory definition.

**Initiative 601**—A law on state budget restrictions passed in the November 1993 general election. Its primary requirements are: an *expenditure limit* based on inflation and population growth (applicable to state general fund expenditures only); an *emergency reserve account* for any GF-S revenues above the expenditure limit; a percentage limit on how much state fees can be raised without legislative approval; and a 2/3 legislative vote requirement on certain state tax increases.

Life Cycle Cost Analysis—The identification of a total life-cycle cost of a capital project. Life-cycle cost analysis is defined as the programmatic and technical considerations of all cost elements associated with capital facility alternatives under consideration. These cost elements may include any or all of the following; Capital Investment Costs, Financing Costs, Operations Costs, Maintenance Costs, Alternations Costs, Replacement Costs, Denial of Use Costs, Lost Revenue, and Associated Costs. Life-cycle costing is used to identify alternatives that minimize the total cost of a decision by selecting the correct designs and components to minimize the total cost of service, not only the first cost. For instance, changes to the preliminary design might increase initial cost but lower operating costs and thereby reduce total costs.

Maximum Allowable Construction Cost (MACC)—A cost that the owner stipulates to the design consultant before design begins. The MACC is the owner's budget for the construction cost of the project and the designer agrees that the design solution will not result in construction costs that exceed this amount.

**Major Projects**—Those projects that cost \$5 million or more, or projects that are identified by OFM or the Legislature as major projects. This determination could be based on the project meeting any of the following criteria: a high degree of risk in successful project completion, particularly costly elements, a particularly tight design budget or short design schedule, or incorporation of state-of-the-art technology.

**Modified Accrual Basis**—The basis of accounting under which expenditures, whether paid or unpaid, are formally recognized when the liability is incurred against the account, but revenues are recognized only when they become both measurable and available to finance expenditures of the current accounting period. All governmental funds use the modified accrual basis of accounting.

**Nonappropriated Funds**—Moneys that can be expended without legislative appropriation. Only funds in accounts specifically established in state law as being exempt from appropriation fall into this category. Nonappropriated accounts can be either budgeted (and subject to OFM allotment approval) or nonbudgeted.

**Nonbudgeted Accounts**—Accounts that are not subject to inclusion in the governor's or the legislative budgets, are nonappropriated and nonallotted.

**Normal or Ordinary Maintenance**—A systematic day-to-day process generally funded by the operating budget to control the deterioration facilities, e.g., structures, systems, equipment, pavement, and grounds. This includes the following:

- a) Corrective maintenance, see definition above.
- b) Preventive and predictive maintenance planned or scheduled to extend the life and retain the usable condition of facilities, systems and equipment.

**Operating Budget**—A biennial plan for the revenues and expenditures necessary to support the administrative and service functions of state government.

**Operations and Service Costs**—The costs of the regular custodial care, utilities, refuse and recycling services, parking management, boiler operations, law enforcement and security, property management, visitor information, tour services, fire protection and lifesafety services, including salaries of facility staff performing these tasks.

**Owner**—The first party to the construction contract, who pays the contractor (the second party) for the construction work; also, the party who owns the rights to the land upon which the work is done and who, therefore, owns the work; also, the client of a designer, a construction manager, a project manager, or a development manager.

**Performance Measure**—A quantitative indicator of how programs or services are directly contributing to the achievement of an agency's objectives. These indicators may include measures of inputs, outputs, outcomes, productivity, and/or quality.

**Predictive Maintenance**—A refinement to preventive maintenance that integrates scheduled maintenance with system monitoring and analysis (e.g. vibration analysis, thermal/energy analysis) to identify inefficient operation or imminent breakdown. Predictive maintenance ideally reduces the cost of maintaining components that are working adequately by prolonging life and avoiding costly repairs.

**Preservation Project**—Projects that maintain and preserve existing state facilities and assets, and do not significantly change the program use of a facility. Examples would include roof replacement and exterior renovation, utility system upgrade, repairing streets and parking lots. See definition of facility preservation above.

**Preventive Maintenance**— A maintenance strategy where inspections are made or actions are taken on a scheduled basis to reduce service interruptions, extend the life and retain the usable condition of systems and equipment, and continue efficient operations. Actual inspection and maintenance is performed on pre-specified schedules established by the manufacturer or facility manager.

**Proviso**—Language in budget bills that places a condition on the use of appropriations. Example: "Up to \$500,000 of the General Fund-State appropriation is provided solely for five additional inspectors in the food safety program."

**Program Projects**—Projects that are intended to accomplish a program goal such as changing or improving the use of existing space, or creating a new facility or asset through construction or purchase. These projects may have a major impact on future operating budgets — such as the construction of a new prison or university branch campus.

**Programming**—The work necessary to define the scope of a project through understanding the activities and spatial relationships within a facility. This phase begins with an evaluation of existing program spaces and determines the best arrangement of a new or remodeled structure to deliver a program.

**Project Delivery System**—Method of how an owner plans to contract for a project, i.e. design/bid/build, design/build, GC/CM, etc.

**Real Property**—Property that is fixed, immovable, and permanent. Real property includes land, structures affixed to the land, property affixed to the structures, and in some cases, things growing on the land.

**Reappropriation**—Capital budget appropriation that allows for continued use of the unexpended portion of previously appropriated funds. Capital projects often overlap fiscal periods and it is necessary to reauthorize some expenditures for project completion.

**Reserve, or Fund Balance**—In budget terminology, the difference between budgeted resources and expenditures.

**Reversion**—Unused appropriation authority. If an agency does not spend all its appropriation in the timeframe specified by the budget, the authorization to spend that dollar amount expires.

**Schedule of Values**—A schedule breakdown on a month to month basis by the contractor to show the intended percentage of completed work by the construction trades. The schedule of values is derived to base the amount of the request for payment by the contractor.

**Subcontractor**—A party to a subcontract who does trade work for a contractor (the other party), which work is included under the prime contract between the same contractor and an owner; one who is defined as a subcontractor by the prime contract.

Supplemental Budget—Any legislative change to the original budget appropriations.

**Useful Life**—An estimate of the total time that an asset is usable and in service.